USAID AGRICULTURAL INITIATIVE
TO CUT HUNGER IN AFRICA:
AN OPERATIONAL PLAN

DRAFT
REV. 03/30/02

USAID

CONTENTS

EXECUTIVE SUMMARY

The Agricultural Initiative to Cut Hunger in Africa aims to improve the livelihoods and options of young and future generations of Africans by tackling and reducing the incidence of poverty, especially in rural areas. Agriculture alone cannot achieve this, but it will be a major driving force in cutting hunger in half by 2015.

The problem of hunger in Africa is widespread and getting worse. It is estimated that 1 in 3 people in Africa are currently undernourished. By 2015 it is estimated that Africa will account for 73% of the undernourished people in the world, according to a USDA study.

Widespread poverty and hunger are root causes of political instability and fuel civil conflict in many parts of Africa. Further, malnutrition is a major contributor to childhood death in Africa. And hunger interacts with major infectious diseases, such as malaria, tuberculosis and, increasingly, HIV/AIDS to raise child mortality rates. The total costs to rural Africa are staggering in terms of human suffering, lowered economic productivity, and lost intellectual resources.

The agricultural sector is especially important because it is low per capita incomes from agriculture that can be directly linked to the problems of poverty and hunger in Africa. Fundamentally, solving the problem of hunger and poverty in rural Africa will require a rapid acceleration of agricultural growth, together with other multi-sector investments in education, health, and infrastructure. This is because the sector has a strong multiplier effect on other sectors of most African economies, and thus has a broad-based impact on incomes and economy-wide growth.

The Agricultural Initiative to Cut Hunger in Africa is committed to the concerns of agricultural growth and building an African-led partnership to cut hunger and poverty. The primary objective of the initiative is ***to rapidly and sustainably increase agricultural growth and rural incomes in sub-Saharan Africa***.

The action plan to implement the initiative will include the following efforts.

- Create a coordinated subregional (multi-country) momentum and dynamic to induce and encourage agricultural growth.
- Support the efforts of and partner with countries and leaders committed to agricultural growth as a critical development pathway.
- Identify and target development options and opportunities to accelerate rural smallholder-based agricultural growth, leading to more efficient use of resources.
- Build effective linkages with other sectors and initiatives, including education, health (HIV/AIDS, diarrhea, and malaria prevention), macroeconomic reform, and infrastructure to achieve economic and social development objectives common to everyone.
- Build alliances and a broad-based political and financial commitment among development partners, public and private, in Africa and internationally, to cut hunger in half – and stay the course to achieve this by 2015.

Focal Themes and Interventions for attention will include the following six areas.

- **Advancing scientific and technological** applications and support services that harness the power of new technology (e.g., information technology and biotechnology) and global markets to raise agricultural productivity, create agriculture-based enterprises and support sustainable land use management.

- Improving the efficiency of, and participation in, **agricultural trade and market systems** for major African products in local, subregional and international markets and the integration of African countries into global markets for agricultural goods and services.
- Promoting and strengthening **community-based producer organizations** to help link business and farmers to create new opportunities that add value, raise incomes, deliver services and increase the participation of the rural majority in decision-making processes.
- Building the **human and institutional capacity** to shape and lead the policy and research, as well as provide agricultural education.
- Integrating **vulnerable groups and countries in transition** into sustainable development processes.
- Strengthening **environmental management** to a) conserve and foster the production of environmental goods and services that contribute to economic growth and b) make agricultural production and water management environmentally sustainable.

Implementation will be focused on three priority countries in each subregion (Eastern Africa, West and Central Africa, Southern Africa). This will be complemented by increased efforts at the subregional level to promote linkages and facilitate cooperation among countries throughout the region, to get the greatest impact possible.

The funding requested to support the Agricultural Initiative to Cut Hunger in Africa is $200 million per year to 2015. This will complement and be in addition to the $100 million in DA funding allocated to the Africa Bureau's agricultural portfolio in recent years.

To grow the USAID agricultural portfolio in Africa, the Africa Bureau, in cooperation with the EGAT pillar bureau, will engage in and provide support for the following start-up tasks:

- Constructively engage with African leaders, the international development community and U.S. interest groups to raise awareness and build support for the initiative.
- Conduct strategic analysis that informs the prioritization of USAID efforts, supports program development, and helps create a baseline for monitoring progress.
- Develop a staffing plan/mechanism that enables the Africa Bureau and its regional and bilateral field missions to manage and implement the initiative.
- Assist the focus regional and bilateral field missions develop action plans and programs to implement the Agricultural Initiative.
- Assist with developing indicators and monitoring plans.

To operationalize the initiative, participating field missions will be requested to concurrently develop initial five-year action plans for the period 2003 to 2008 and to coordinate their preparation at the subregional level. The action plans will be reviewed internally in the originating field mission for their contribution to the mission's strategy, and by Washington technical and policy offices for their contribution to the initiative objective and targets. The Bureau for Africa will be responsible for overall management of the initiative and for approval of action plans. Annual performance reports on the initiative will be prepared by participating operating units and the Africa Bureau.

To promote strategic coherence of country, subregional and global efforts, semiannual planning and review sessions will be held at the subregional level. These will involve technical officers from all USAID field missions in the subregion, as well as representatives from Washington-based technical officers.

A key aspect of the initiative is engaging with international development community and African governments to build commitment for an increased level of effort in agriculture in Africa. At the country level, USAID support for agricultural programs will be relevant and important to the Poverty Reduction Strategies. Mission action plans for the agricultural initiative should be closely coordinated with the country's Poverty Reduction Strategy Paper process and plans. Further, subregional missions will be asked to play a key role in establishing and promoting a subregional (multicountry) framework and mechanisms for donors to coordinate their agricultural strategies and programs.

"The battle against hunger and poverty in Sub-Saharan Africa is not yet won. To win it will require a partnership among African governments and their leaders, commercial private sector groups, and civic society, along with bilateral and multilateral development agencies focused on and staying the course in the battle to make it possible for rural communities and farm families to cut hunger and grow out of poverty." Andrew Natsios, USAID Administrator, June 2001.

I. INTRODUCTION

The Agricultural Initiative to Cut Hunger in Africa was born from the global recognition that hunger in Africa is one of the most significant development challenges that the world faces today. The numbers and evidence, reviewed later, are staggering.

The will and commitment to implement this initiative is founded on the fact that it is politically and technically feasible – clear options for progress do exist – to reverse the trends of poverty and hunger on the scale and scope that Africa now faces. The initiative recognizes that achieving success will require fuller and deeper investments in agriculture-based strategies, programs and policies, in conjunction with investments in health, education, infrastructure, environment and good public policy management. And a sustained commitment will be needed to succeed.

The initiative calls for a partnership with and commitment by African leaders and their governments to work and invest together in support of a smallholder-oriented, agricultural growth strategy. In addition to public investment, significant domestic and foreign investment is needed from the private sector, and the conditions to induce and support this need to be established and maintained.

The reality is that disenfranchised poor populations and nations pose real threats to the stability of global economic systems and security. And addressing the interests and need of the poor to grow out of poverty is good for developed countries' businesses and economies as well. Globalization has created both economic and political ties between Africa and developed countries, and with the United States in particular, that cannot be ignored.

Today, more than at any time before, there is a growing perception among many African leaders and their development partners that conditions to get agriculture and African economies moving again have never been better than in the 21st century. During 2001, for example, the African-led New Partnership for Africa's Development (NEPAD) emerged as the most promising strategy in decades for consolidating democracy and sound economic management throughout Africa. The rapidly changing global environment, as well as population pressure and policy reforms, have only just begun to provide some of the necessary ingredients for smallholder farmers to begin adopting improved technologies and expand their access to domestic and international markets. To support these individual efforts, investments in African agriculture and related agro-industries are essential to create an engine of growth that will lead to increased incomes and a better-nourished, food-secure population.

This paper begins by presenting the problem and context of hunger in Africa. It then reviews empirical evidence on the linkages between agriculture, poverty and growth, followed by a strategy and framework to guide USAID investments in agricultural programs. The paper goes on to present an operational plan and guidelines for USAID to implement the Agricultural Initiative to Cut Hunger in Africa.

II. BACKGROUND AND CONTEXT

2.1 Introduction

Today, about a third of the world's undernourished people reside in Africa south of the Sahara (hereafter referred to as Africa for simplicity). By 2010, it is estimated that Africa alone will account 63% of the undernourished people in the world, according to a recent USDA study. Further, it is estimated that one in three people in Africa are currently undernourished. In short, the problem of hunger in Africa is widespread and getting worse.

The most vulnerable group among the hungry population are the children who represent the future generation of Africa. Reducing hunger during the early childhood years is essential. Hunger and undernourishment during the first two years has been shown to significantly slow growth by causing underweight and stunting in children (UN/IFPRI, 2001). The consequences of undernourishment can be quite severe, causing serious illnesses, such as diarrhea and pneumonia, leading to a high incidence of infant mortality. Recently 6.3 million (or 54%), out of 11.6 million, under-five childhood deaths in developing countries were connected with moderate to severe undernourishment (UN/IFPRI, 2001). In Africa, the situation is even worse. Childhood mortality rates are among the highest in the developing world, about 151 per 1,000 deaths compared to 89 for South Asia (FAO, 2001). This rate has changed little throughout the 1990s.

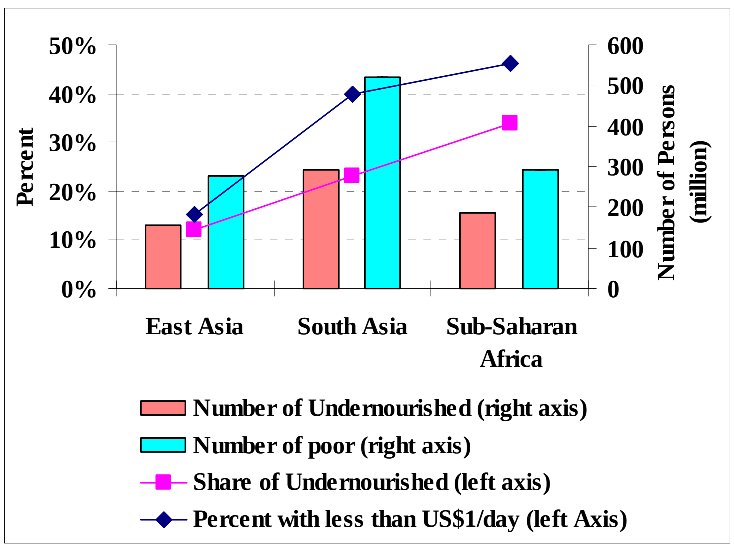

Figure 1: A Comparison of Poverty and Undernourishment (1998). Source: FAO, 2001

At the root of the problem of hunger in Africa is poverty. Low per capita incomes from agriculture are directly linked to the high incidence of poverty and hunger in Africa (Figure 1), forming a recurring cycle that leads to a low-growth trap (Masters, 2001). Poverty limits people's ability to purchase food while malnutrition and poor health limit their ability to earn income, causing irreversible poverty. As Figure 1 illustrates, the two move together on average.

Beyond the numbers and statistics, these two social problems are taking a tremendous toll on the heart of Africa – its people, communities and government. They are threatening political stability and fueling civil conflict in many parts of Africa. To make matters worse, the problem of hunger is being exacerbated by deteriorating access to productive assets, health services, and education in many rural areas of Africa.

The widespread threats of major infectious diseases like malaria, tuberculosis and HIV/AIDs have raised mortality rates to levels not seen in three decades, draining labor resources out of many rural economic activities. The total costs to rural Africa are staggering in terms of human suffering, lowered economic productivity, and lost intellectual resources. These problems pose both old and new dilemmas for achieving sustainable agricultural development and economic growth on the continent.

Fundamentally, solving the problem of hunger and poverty in rural Africa will require a rapid acceleration of agricultural productivity growth, together with other multi-sector investments in education, health, and infrastructure. At the heart of the problem is fact that agricultural productivity growth is an important driver of many of Africa's economies. It leads to lower food prices and thus higher real incomes. It increases incentives for agricultural intensification while allowing the release of labor resources to non-farm activities, fueling economy-wide growth.

Under conditions of low productivity, farmers resort to subsistence agriculture or migrate to urban centers, resulting in lower per capita food production, rising real food prices, and low overall economic growth. Ample evidence and theory suggests that rapid agricultural growth has a multiplier effect on growth in other sectors, and thus can stimulate overall economic growth (see, for instance, Timmer, 1998; Eicher et al, 2000; Mellor, 2000).

The reality is that agriculture in Africa has not grown rapidly enough to stimulate the economic growth rates necessary to lift the bulk of rural populations out of poverty. This is primarily due to unprecedented high population growth in Africa, past mismanagement of development strategies and goals, and insufficient investments in rural agriculture. Population growth rates in Africa are among the highest in the world. With the bulk of the population in rural areas, the rural population in Africa is projected to rise dramatically relative to that in any other developing region in the world (Figure 2). This means that productivity will have to rise faster than population growth if per rural capita incomes are to rise. In fact, past gains in productivity have barely exceeded population growth rates, resulting in stagnant per capita agricultural output.

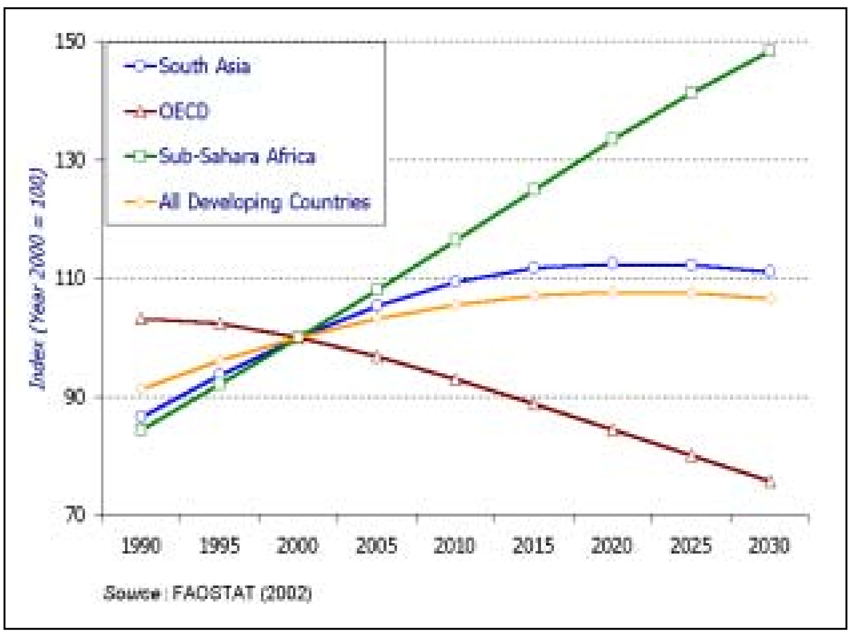

Figure 2: Rural Population growth (1990-2030)

Many past development efforts were mismanaged and biased against smallholder agriculture. In the first few decades since independence, many African governments preferred to focus their resources on modernizing an urban-biased industrial base at the expense of agriculture. For the most part, the development process was a state-run enterprise, leading to inefficiencies and corruption on a grand scale. Meanwhile, the bulk of foreign assistance to Africa was determined more by Cold War priorities than by the best interests of development. The decades of the 1980s and 90s brought about some reorientation of priorities for both African governments and the donor community. For African countries, this was a period of focusing more attention on macroeconomic management and market reform programs to stabilize their economies and create a free market environment to help stimulate private sector growth, investments and employment. Among donor communities, emphasis was placed on stimulating productivity growth in rural agriculture, especially among staple commodities (which had been largely ignored by African governments).

Unfortunately, donor resources for Africa were quickly spread thin during the 1990s as foreign assistance needs grew alongside a shrinking public sector, and as multiple interest groups in donor countries exerted their control (e.g. organizations focused on environmental protection, social issues, etc.). As a result, investments in African agriculture have proved grossly insufficient, despite the evidence of high rates of return, comparable to those in other developing regions of the world (Evenson, 2001; Pardey et al., 2001; Masters, 2001; Thirtle et al., 2001). For instance, from 1990 to 1998, public investments in agriculture accounted for less than 2% of total GDP in many African countries, while donors allotted less that 20% of total development assistance to agriculture. As a share of total government expenditures, African agriculture in 1998 was still well behind Asian agriculture – 5% compared to 10% for Asia (Fan and Rao, working paper). Real per capita aid levels declined by one-third, and assistance for rural development and agriculture fell even more sharply. As recent as 1999, African agriculture received less U.S. development assistance than any other sector (Figure 3 below).

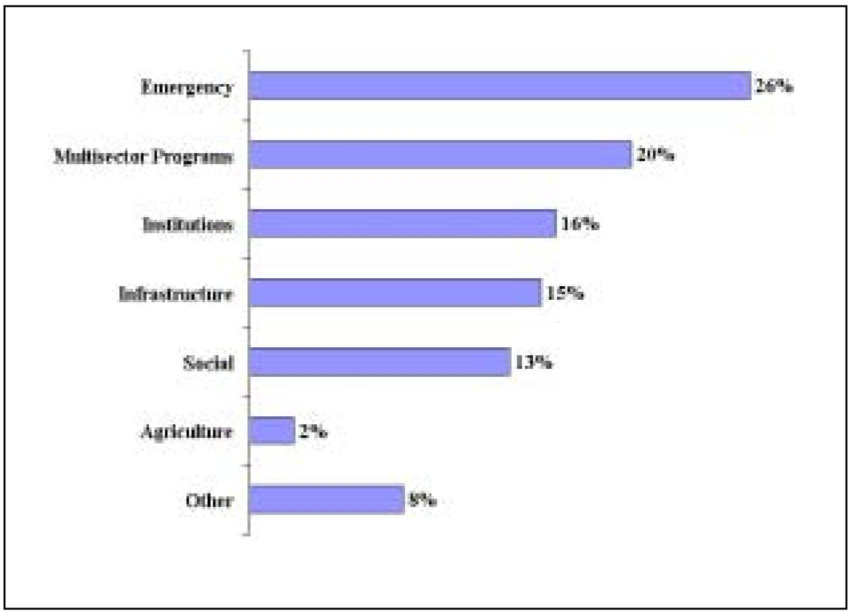

Figure 3 U.S. Development Assistance to Africa by Sector in 1999. _Source_: Source: Forthcoming in Masters (2001). Computed from OECD (2001).

Besides insufficient funding, past investments have too often focused their attention on adapting technologies from other developing regions such as Asia (Evenson, 2001) or have simply been mismanaged. It is only more recently, in the 1980s, that investments in agriculture began addressing constraints specific to African agriculture. These have begun to show high payoffs in spite of the many other difficulties facing Africa today (see for instance Gabre-Madhin and Haggblade, 2001).

And precisely because Africa's challenges are so great, it is essential that successful future investments be identified, sustained and expanded to get agriculture to play the same critical role it has played in other parts of the developing world, driving economic growth and structural transformation. Substantial resources (as well as a sustained commitment) from donors and African partners is needed to make this happen.

2.2 Responding to the Challenges of Reducing Hunger and Poverty in Africa

The problems of hunger, poverty, HIV/AIDS, and inadequate access to social services threaten to destabilize the continent and will not be addressed by half measures. Spending a little more money is not the answer. Rather, aggressive action to reverse the trends must now be a primary focus of U.S. efforts. The U.S. government cannot and will not do this alone. But a significant commitment now by USAID can leverage the U.S. private sector, as well as other country donors and African governments, whose commitments to hunger reduction and agriculture are now at an all-time low.

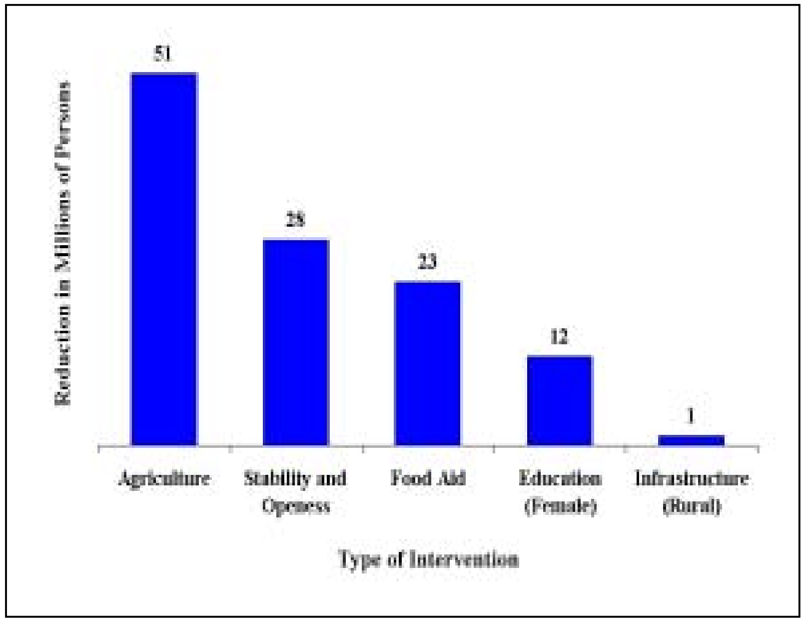

Figure 4 Projected Impact of Interventions by Sector to Cut Hunger in Africa by 2015. _Source_: Table 5 under 'Rational Scenario' in Stryker et al. (2001)

In Africa, to cut hunger in half by 2015, the livelihoods of approximately 98 million people will need to be improved. A number of options are available that have proven linkages with reducing hunger, including actions to promote governmental openness and stability, infrastructure development (especially in rural areas), education (especially for female children), agriculture, and food aid. (Figure 4) Of these, agricultural interventions (especially those enhancing productivity) have by far the largest impact. Moreover, not only do they have the largest impact, but they also drive improvements in other areas (Stryker et al., 2001).

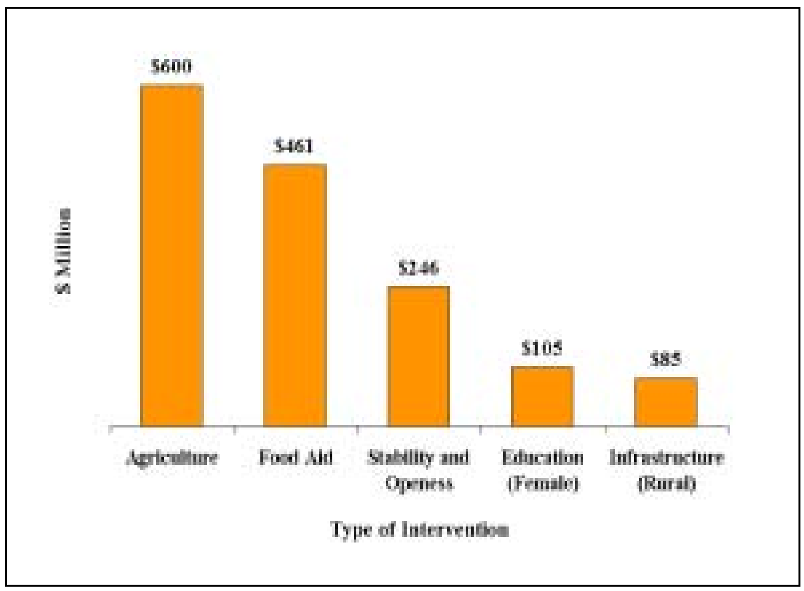

Figure 5 Projected Annual Costs of Interventions to Cut Hunger in Africa by 2015. _Source_: Table 5 under 'Rational Scenario' in Stryker et al. (2001)

These general findings are supported by a growing number of empirical studies on the matter (for instance: Sach et al., 2001; Masters, forthcoming; Timmer, 1998; Thirtle, 2001; Mellor, 2000; Pardey, 2000). They all stress the importance of raising agricultural productivity as a first step to ensuring reductions in poverty, hunger and malnutrition, while at the same time contributing to overall economic growth. Thus meeting the ambitious targets set by the 1996 World Food Summit will require a serious commitment to place greater emphasis on agriculture than has been the case in the recent past.

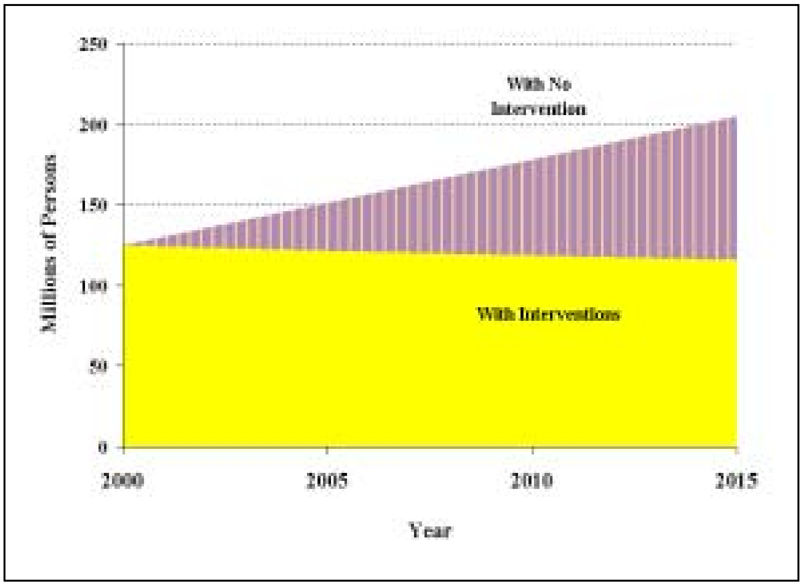

Figure 6 Desired Impact of Cutting Hunger in Africa by Half in 2015.

The costs for reducing hunger in Africa are achievable. As Figure 5 (previous page) illustrates, the share for agriculture is estimated at close to $600 million per annum, translating into a total estimated cost of about $9 billion by 2015 (based on independent estimates of Stryker et al. 2001). The total projected foreign assistance cost over the same period could easily reach $25 billion coming from various donor partners.

A strong agricultural initiative on the part of the United States will enable us to lead by example as we engage with our development partners around the World, and especially in Africa, to mobilize the resources needed to tackle the problem of hunger and poverty. It will make rural development and agricultural growth a priority for U.S. bilateral assistance. And it will provide the opportunity for the agricultural community to build the linkages across sectors, including HIV/AIDS, education, environment, and conflict, needed to systemically address the problem of hunger and poverty in rural Africa.

The fundamental aim of this initiative is to cut hunger and poverty in Africa. The risk of not addressing this challenge now is that the problem will only get worse, aggravating many other African problems that are highly costly in money, resources and lives. By acting now, the upward trends can be reversed and real declines in the number suffering from hunger and poverty in Africa can be achieved (Figure 6). The risk of not doing so for USAID is that emergency food costs are likely to rise dramatically, reaching annual costs of about $2.3 billion by 2015.[1]

2.3 USAID's Past and Present Efforts to Reduce Hunger in Africa

USAID has supported investments in African agriculture for the past three decades. Beginning in the late 1980s, however, USAID funding for agriculture went on a steady decline. With other donors following suit, the total amount of bilateral investments in African agriculture by the turn of the century was less than 14% of total development assistance (OECD, 2001). In dealing with increasingly tight budgetary restrictions and special earmarks during this period, USAID has learned to make tough choices on where to allocate and how to manage its limited funds. Rather than relying entirely on its own wherewithal, the agency has learned to collaborate effectively with different partners (e.g., NGOs, African organizations, other donors, research institutions, etc.) in order to build coalitions and mobilize additional resources.

[1] Based on AFR/SD estimates adapted from Stryker et al. (2001)

Following the 1996 World Food Summit, the United States pledged to help Africa cut hunger in half by 2015. In partial fulfillment of its pledge, the U.S. developed an Action Plan on Food Security that included a promise of greater support for Africa's efforts to cut hunger and implemented several initiatives, including the Africa Food Security Initiative (AFSI) as part of the *Africa: Seeds of Hope Act*. AFSI was created as a joint effort between USAID, USDA and other U.S. government agencies and helped to outline a clear strategy for supporting development of agriculture in Africa. AFSI is identified in the *Seeds of Hope Act* as a critical means for the U.S. to have a positive impact in Africa by placing a strong emphasis on improving the productivity of small-scale farmers, improving market efficiency and access to markets, expanding agricultural trade and investment, and creating new micro-enterprise opportunities in rural areas. As an overall strategic initiative, AFSI has supported the expansion of successful agricultural programs in African countries and enabled USAID to begin agriculture programs in several additional countries.

USAID's Africa Trade and Investment Initiative (ATRIP) has been another means of focusing on the development of dynamic, outward-looking systems in Africa. ATRIP has helped create many promising trade linkages in agriculture, working closely with African businesses. It has also helped support the creation of a business environment conducive to economic growth in the private sector, including agriculture-based businesses.

Another important Congressional bill, the African Growth and Opportunity Act (AGOA), offers tangible incentives for African countries to expand their exports to U.S. markets, especially those countries going through reform that do not have a Free Trade Agreement with the United States. The ultimate objective of AGOA is to encourage reform of Africa's economic and commercial regimes in order to help build stronger markets and more effective partners for U.S. firms. In this way AGOA helps to change the course of trade relations between Africa and the United States for the long term, while helping millions of African families find opportunities to build prosperity by reinforcing African reform efforts; providing improved access to U.S. technical expertise, credit, and markets; and establishing a high-level dialogue on trade and investment.

To help bring focus among its many implementing collaborators, USAID has over the past few years worked with its U.S. and African partner institutions, both public and private, to develop parameters for an overall agriculture strategy for Africa. Referred to as the Partnership to Cut Hunger in Africa, this collaborative effort, like the initiative, supports an overall U.S. strategy to cut hunger in half by 2015. The objectives of the Partnership are to generate public and private support in the U.S. for increased levels of U.S. assistance to Africa, and to create consensus around the steps needed on both continents to bring real progress to the fight to end hunger and poverty.[2]

2.4 Meeting the Strategic Interests of the United States

Reducing hunger and poverty in Africa is obviously of key strategic importance to Africa; what may be less obvious to the casual observer is its importance to the United States. This country has strong political, economic and humanitarian interests in supporting agricultural growth in Africa. Politically, without such growth, widespread hunger and poverty will increase the likelihood of costly instability and conflict across the continent.[3] Similarly, greater economic growth implies expanding markets for U.S. exports and more American jobs. Already U.S. exports to Africa are substantial, totaling $6.1

[2] More information is available at www.africanhunger.org.
[3] For example, the UN budget for peacekeeping efforts in the Congo alone totaled US$646 million in 2000.

billion in 1996 alone and creating an estimated 100,000 American jobs (Partnership to Cut Hunger in Africa, 2001).

From the humanitarian standpoint, recent research shows that American are extremely supportive of U.S. assistance to Africa. In February, 2001 the University of Maryland undertook a study to measure public attitudes towards foreign aid, assistance to Africa, and reducing hunger. The study reveals that the public continues to support foreign aid in general and that there is even greater support for programs to assist Africa and to reduce hunger (Bread for the World, 2001).

Unfortunately, many recent interventions have continued to be constrained by insufficient donor and government commitment. Although the U.S. continues to lead as one of the world's major single donors in dollar terms, it still spends the least as a proportion of its own GNP, about 0.1% in 2000 (Figure 7). This is far below a worldwide average developed-country effort of about 0.4% and way below the United Nations' recommended rate of 0.7% (OECD, 2001).

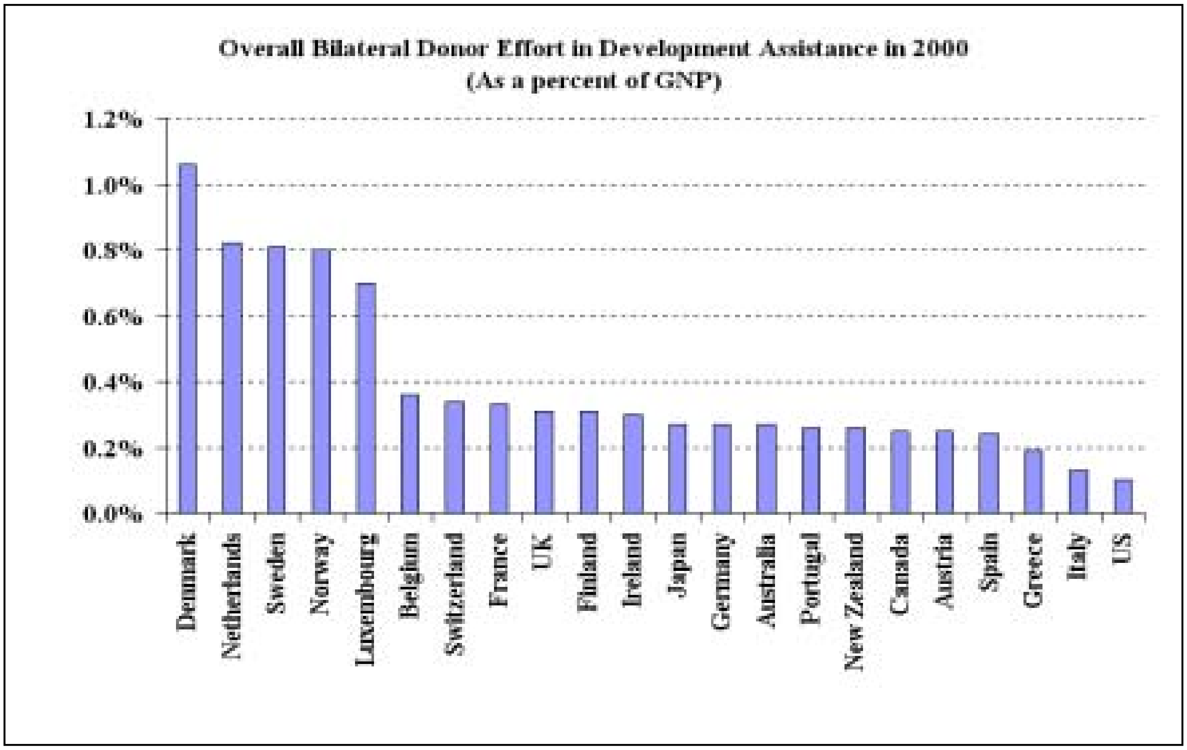

Figure 7: Official development assistance from OECD countries as percent of GNP in 2000. *Source*: OECD (2001)

Significantly raising U.S. investments in African agriculture will maintain our leadership role in development and send a clear message to other donors to follow suit. Strengthening U.S. government commitments to agriculture investments helps mobilize additional donor efforts more effectively, improves the quality of investments, encourages private participation, and sustains funding for public investments in turn, in the long run. African governments should continue to adopt far-reaching institutional and policy reforms, clearly identify the role of the state, and encourage a greater openness and transparency of governments.

To ensure sustainability and long-term African commitment, African governments, NGOs, and the private sector must take ownership, leadership and direction of any renewed efforts to invest in agriculture, as well as back their commitment through the expanded financial and human resource investments necessary to transform agriculture and stimulate economic growth.

III. AGRICULTURE, HUNGER AND GROWTH LINKAGES IN AFRICA

3.1 Introduction

For many African countries, the agricultural sector is a critical engine of growth, given that over 70% of the labor force is employed in agriculture and that the sector contributes most to national income, with the bulk of production coming from smallholder farms. At the same time, it is also among the rural population and smallholder sector that most of the poor and hungry can be found. Revitalizing this sector will not only improve the livelihoods of millions of people in rural Africa, it will also have a large multiplier effect on the rest of the economy, spurring overall economic growth that will effectively reduce poverty and hunger.

The challenge for African countries is to raise agricultural productivity enough among smallholder farmers to raise output and income growth in rural areas, given a rapidly expanding rural population.[4] Land area per farmer is decreasing fast and affecting sustainable land use patterns, yield performance, and incomes. Some past efforts have been quite successful – for example, maize in East and Southern Africa and rice in West Africa.[5] The large donor investments in R&D throughout the 1980s paid off well for many staple crops, producing an average rate of return of 43% and more than doubling the adoption rate of improved varieties between 1990 and 1998 (Evenson and Gollin, 2001). But these successes have been limited with the impact not widespread enough to reduce the threat of hunger and poverty on the continent.

Although increasing productivity is necessary, it is not sufficient by itself. The general absence of a good transportation network and infrastructure, as well as adequate support services in the form of extension and market information across much of rural Africa, has limited smallholder access to both input and output markets and effectively forced them into a life of subsistence agriculture. With falling per capita rural incomes, there is a higher risk of widespread hunger during years when drought, disease or pest attacks cause major crop failures.

The question today, therefore, is: what confidence do we have that revitalizing the smallholder agricultural sector will have the desirable impact of stimulating overall economic growth and reducing hunger and poverty in Africa? What is different today? And why should we focus on the smallholder sector? We argue that a lot has changed, both in Africa and the world, since the 1980s and 90s – changes that have opened up new market opportunities and science-based solutions for revitalizing agricultural and economic growth in Africa. But this will only occur if the right type of agricultural development strategy is put in place, one that explicitly recognizes the well-documented economic role of smallholder agriculture in transforming African economies and that takes on an integrated perspective with complementary investments in education, health and improved infrastructure.

New challenges have also emerged that make it imperative that Africa refocus its attention on stimulating growth through agriculture. For instance, the largest population increase in Africa is going to occur among the more than 80% living in rural areas, a population that is mostly made up of smallholder family farms. The threat of HIV/AIDS and malaria in rural areas threatens to reduce productivity significantly. If nothing is done to address the growing needs of this large population, Africa will continue to experience a dramatic growth in hunger and poverty for many years to come.

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[4] Future projections show Africa's rural population growing faster than other developing regions such as South Asia (FAOSTAT, 2002)

[5] See Jayne et al (1996?) on maize in East and Southern Africa; Masters et al (1997?) on rice in West Africa.

3.2 New Opportunities

Not only has the world changed dramatically over the last decade, Africa has also changed. Many African countries have moved closer to liberalizing their economies, instituted democratic principles of governance, and grown more committed to reducing hunger and poverty than at any other time in the past.[6] The same governments are well on their way to creating the type of enabling environment that is conducive to a dynamic business and private sector.

In the aftermath of structural adjustment programs to remove costly public sector support services, several African governments have been experimenting with new institutional innovations built around private/public partnerships to help fill the void. For example, they have worked on creating mechanisms for sustainable financing of R&D and agricultural extension. Governments are also increasingly decentralizing authority to the local level, allowing rural communities to influence decisions that are relevant to their needs.

For the first time since independence, development solutions are also increasingly being sought from a subregional perspective (East, West, Central and Southern Africa). There are now many subregional/regional organizations and network groups addressing various development issues relevant to the entire agricultural sector of the subregional/region (e.g., R&D, grades and standards, harmonization of trade and market policies, etc.). This change of attitude opens the door for countries to benefit from greater economic integration and technology and information exchange.

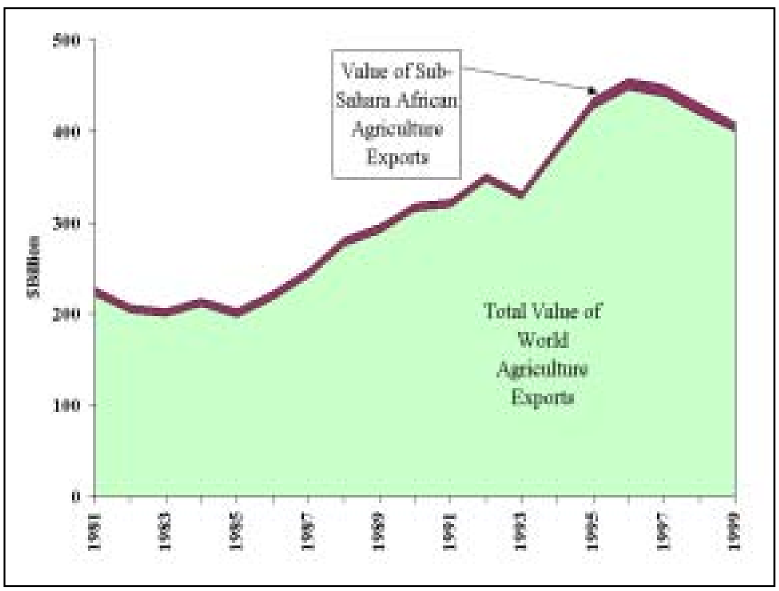

Figure 8: Africa's Share of World Agriculture Trade.
Source: Based on FAOSTAT data (1998).

Dramatic changes have also taken place in the world. Over two decades, from 1981 to 1999, the volume of world agricultural trade more than doubled (Figure 8). World markets are far more integrated than at any other time before. A new information age has allowed information to travel at great speeds, increasing market efficiency and expanding product diversification in global markets.

For Africa, the pace of change and integration with the world economy has been slow because for the most part it has been ill-prepared to compete effectively under conditions of a weak regulatory and legal environment, poor policies and support institutions, and a less than adequate transportation infrastructure. In fact, the investment climate for both domestic and foreign investors has remained risky, improving only marginally between 1988 and 1998 – from 0.3% to 0.7%, respectively (Wolgin, 2001).

[6] Previous macroeconomic and market reform efforts have also been integrated successfully with recent poverty reduction strategies (e.g., Uganda's 1997 Poverty Eradication Action Plan).

The generally weak state of Internet connectivity in Africa is also affecting the region's ability to compete effectively in today's fast-paced marketing environment. According to some recent estimates, the region has roughly one Internet account for every 250 people, compared to a ratio of one in 50 for the rest of the world (AfricaLink). Several USAID programs are working to improve connectivity. Access to better market information via the Internet will enable African exporters to participate effectively in world markets by offering timely information on prices, new market opportunities and new technologies, as well as help reduce entrepreneurial risk related to business transactions.

Global market trends have also introduced new demands in the form of product quality specifications, food safety issues, environmental concerns, and other emerging mandates, all of which affect the competitiveness of tradable goods and services in the global marketplace. Few African countries have the capacity to meet the stringent international demands for high grades and standards without investing more in the production, processing and packaging of final products. Given declining trends in its share of global agricultural trade, mostly as a result of the declining terms of trade for its traditional exports, Africa will need to raise its competitiveness in those commodities where it has a comparative advantage. These commodities include some of its traditional exports (e.g. cocoa, coffee, etc.), as well as new products for specialized niche markets (e.g., environmentally friendly and/or out-of-season tropical products). This can be done by simply improving product quality, as well as reducing input costs along the production and marketing chain.

New science-based opportunities also exist in terms of finding ways to rapidly increase the productivity of some of Africa's major food and cash crops. Frontier technologies such as biotechnology offer some very real opportunities for Africa, in terms of achieving higher yields, improved pest control, greater drought resistance, reduced dependence on chemical fertilizers, and shorter growing seasons. Biotechnology also offers additional opportunities to affect hunger directly through the development of nutrient-enriched food crop varieties (such as Vitamin A–enriched maize or iron-enriched rice). The judicious deployment of biotechnology can potentially lead to an agricultural revolution for Africa, but by itself it cannot be a 'silver bullet' and will need to be part of a broader agriculture development framework. Careful analysis, capacity-building and outreach is still required to study and address any obstacles to its use, including environmental, health and justice concerns.

All in all, there has never been a better time to begin moving African agriculture forward. African policymakers, donors and the privates sector are increasingly showing signs of optimism on the ability of smallholder agriculture to move Africa out of poverty, hunger and malnutrition. The many past investments in agricultural research and development, institutional and human capacity, market reforms, producer support services and more are only now beginning to pay off.

3.2 Smallholder Agriculture

Almost all African farmers are small-scale or smallholder producers, producing on plots of 0.5 to 5 hectares on average (Wolgin, 2001). In fact, smallholder production accounts for the bulk of Africa's output for domestic and export markets, as high as 96% in some countries. Even in countries where there is a significant presence of large-scale farmers (e.g., Kenya and Zimbabwe), smallholders still contribute over half of the maize output for the nation. Any efforts to rapidly influence agricultural and economic growth cannot do so without focusing attention on the small-scale farmer.

As noted earlier, smallholder population is the fastest-growing population in Africa, and it is expected to grow at a rate that far exceeds that of other developing regions over the next 30 or so years, according to FAO projections for rural population growth. The rapid rate of population growth as also means a decreasing amount of land available per farm worker over time. In some countries like Ethiopia, the amount of land being cultivated per agricultural worker has been cut in half, from an average of 0.5 hectares between 1960 and 1969 to an average of 0.25 hectares in the 1990 – 99 period (Jayne et al., 2001). Indeed, there is a vast opportunity to stimulate rural growth through productivity-enhancing inputs while expanding markets for locally produced goods and services.

Under population pressures, smallholder producers readily adapt their cultivation practices and methods accordingly, intensifying production when they can access additional inputs and adopting agronomic practices that preserve the natural resource base. Numerous studies have shown evidence of this in many countries across West, Eastern and Southern Africa (e.g., see Oehmke et al., 1997). Smallholders are also price sensitive, entrepreneurial profit seekers, dramatically raising output, for example, when producer prices increased for export commodities in the aftermath of exchange rate devaluation (e.g., cashew nuts in Tanzania and Mozambique, cotton in Benin and Mali, and coffee in Uganda). And evidently, because of the resulting higher returns from export crop production, smallholders were better able to divert the use of modern inputs like fertilizer onto food crops, increasing productivity and output of staples in the process (Kherallah et al., 2000).

With a general trend of declining world prices for some of Africa's major export commodities (e.g., cocoa and coffee), however, the declining terms of trade has left many smallholders struggling to remain competitive, especially as they continue to face some of the highest market transaction costs in the world. In response, some smallholders have gone as far as venturing into new niche markets for higher value products like horticulture (e.g., in Uganda and Kenya). Therefore, the challenge facing African farmers is not a need to learn how to do things better with less; rather, it is a matter of removing institutional and infrastructure barriers that inhibit access to inputs so that they can produce more with less, and in so doing compete fairly in subregional and global markets.

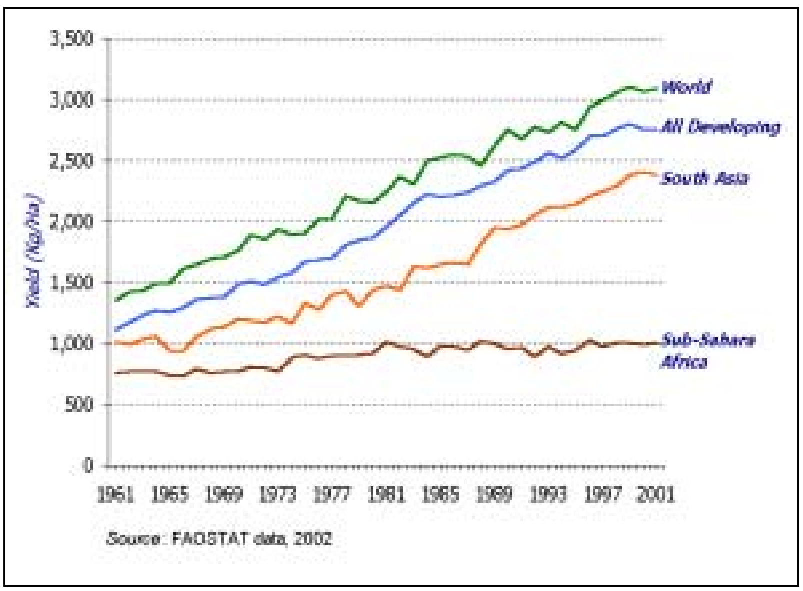

Figure 9: Cereal yield trends (1961-2001)

Typical barriers to smallholder production include poor access to road and transportation infrastructure, to modern production inputs, to financial credit, and to market information systems, as well as a lack of institutional support mechanisms for establishing grades and standards to improve product quality and food safety. A lot of these services were lost following the abrupt withdrawal of public sector support programs under structural adjustment. The deteriorating state of smallholder access to markets and support services has increasingly marginalized the smallholder farmers. It has isolated them further from domestic and international markets, making them desperately poor and dependent on subsistence agriculture. With limited use of modern inputs among the majority smallholder population in Africa, yields have remained relatively flat – and far below those of other developing regions (Figure 9, previous page).

The situation has become even more urgent with the rapid spread of HIV/AIDS, which has effectively lowered labor productivity and overall agricultural performance in many countries. So long as access to labor, land, productivity-enhancing technologies, information systems, infrastructure, etc., is limited, smallholders will continue to lose a larger share of their domestic and export markets and get further entrapped in a vicious cycle of poverty and hunger.

Conversely, increasing productivity and market opportunities among the majority smallholder farmers is likely to benefit a great number of people in term of income gains and the reduction of hunger. Output growth from smallholder agriculture is more likely to spill over to other economic sectors as well, raising employment and income opportunities in rural areas while directly weakening the incidence of hunger and poverty in rural Africa. As incomes and employment rise in rural areas, rural-to-urban migration trends can be reversed, reducing the threat of hunger and poverty in urban areas as well. The evidence for these growth linkages in Africa, especially as they relate to hunger and poverty reduction, are discussed in the next section.

3.3 Linkages Between Agriculture, Hunger and Economic Growth

Many scholars have argued that agriculture is a key sector for reducing poverty and hunger, driving overall economic growth in Africa as elsewhere in the developing world (see, for instance, Delgado et al., 1996, 1998; Timmer, 1998; Mellor, 2000). Because the majority of the poor are in rural areas and depend on their livelihood on agriculture, rapid growth in rural agriculture and incomes will have a direct impact on the poor. And since most of the poor spend a large proportion of their income earnings on food staples, rapid productivity growth will result in lower food prices and higher real incomes. At the same time, low food prices also keep real wages down, improving the competitiveness of labor-intensive export commodities. And as agricultural incomes rise, demand for hired labor and other domestically produced good and services rises, producing large multiplier effects on overall economic growth.

Delgado (1998) and Timmer (1994) estimate such demand-led multiplier effects in Africa to be in the range of two and three times the original growth in agriculture. In fact, it is the past neglect of agriculture that has led to the observed slow-growth trends and high prevalence of hunger and poverty in Africa today. Outside Africa, the Asian miracle under the Green Revolution of the 1970s is a prime example of how agriculture can help to dramatically reduce poverty. One study showed that about 85% of the reductions of poverty in India can be directly attributed to agriculture growth (Mellor, 2001). Some recent estimates for Africa show that agricultural growth has about as much impact on poverty reduction as per capita GDP growth (Thritle et al., 2001).

In terms of an estimated impact of agricultural growth on hunger, improvements in agricultural productivity have been shown to help reduce child malnutrition at a rate of about half the original growth rate in productivity (Thirtle et al., 2001). The link between hunger and per capita incomes in Africa can be easily illustrated by plotting the incidence of hunger by average per capita income in 1999 (Figure 9 next page), which shows that countries with a higher incidence of hunger had lower per capita incomes on average. Or put another way, countries with a high incidence of hunger (45% or more) had an average per capita income of $159, compared to $426 for those countries with a lower incidence (less than 35%).

For agricultural growth to be pro-poor it must affect incomes of the bottom quintile. One estimate finds that a 1% increase in agriculture growth can lead to 1.6% increase in incomes of the bottom quintile (Timmer, 1997). But other studies have cautioned that this may only happen if the initial distribution of land assets is generally egalitarian, which is not always the case, especially within a single community (Jayne et al., 2001). Nevertheless, because the distribution of small-scale farm holdings in Africa is generally less skewed, on aggregate, than elsewhere, this may not be a widespread concern in most smallholder settings.

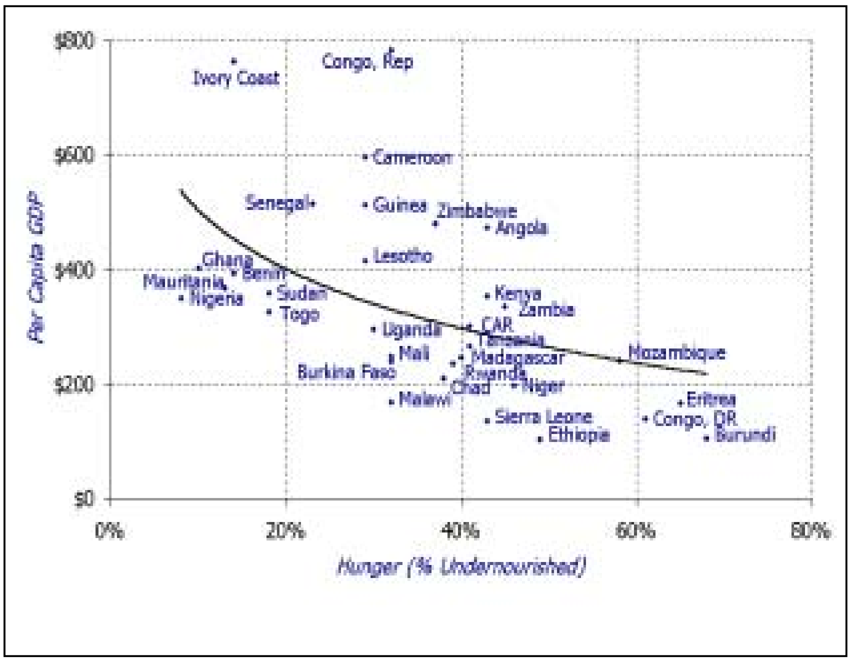

Figure 9: Comparing annual per capita income with the incidence of hunger. *Data Source*: FAO (2001) and WDI (2000). Per Capita GDP is for 1999, and the incidence of hunger is for 1997/98.

IV. A STRATEGIC FRAMEWORK FOR AGRICULTURAL GROWTH

This chapter focuses on a strategy and framework to stimulate future agricultural growth and raise rural incomes. There are three sections: a) a strategy to promote agricultural growth, b) a framework to guide agricultural investments, and c) principles and approaches for designing and implementing strategies, programs and policies.

4.1 A Strategy to Promote Agricultural Growth

The Agricultural Initiative to Cut Hunger in Africa focuses on agricultural growth and building an African-led partnership to cut hunger and poverty. The primary objective of the initiative is ***to rapidly and sustainably increase agricultural growth and rural incomes in sub-Saharan Africa***.

Thus, agricultural growth in Africa is not about producing more crops and livestock. Agricultural growth is about creating productive, healthy and rewarding lives for present and future generations of Africans. Reducing hunger and poverty means that people have jobs, education, and greater stability in their families, communities, and nations.   If the agricultural initiative and strategy are successful, then over 20 million children [check stats] will avoid malnourishment, and their chances of a productive life will significantly increase.

Evidence from Africa and throughout the world shows us that few regions can emerge from poverty without sustained agricultural growth. The strategy and framework proposed here builds on a generation of experience in Africa, of Africans working with the development community, and of commercial interests investing in Africa.   It builds on evidence and experience from Africa about what works, how things work and what is needed.

The agricultural initiative strategy is formed around several key building blocks that are designed to provide a momentum for stimulating growth within an entire subregional (the Eastern and Central, West and Central and Southern Africa subregion), support countries and leaders committed to agricultural growth, accelerate rural smallholder-based agricultural growth, build strong alliances and a commitment to cut hunger in half, and strengthen linkages with other sectors and initiatives.

4.1.1 Creating a Subregional Dynamic and Context

Subregional cooperation plays a catalytic role in promoting and creating a demand for agricultural goods and services in Africa. With several countries in a region committed to agricultural growth, they form a critical mass among many small countries to generate and sustain a subregional dynamic for change.

At the local level, African farmers and entrepreneurs need to be positioned to take advantage of opportunities at the subregional and global level. At the subregional (multi-country) level, a basic challenge of the agriculture community is to create the mechanisms, agreements and systems to facilitate market integration, promote trade linkages and encourage spillover of technical innovation that jointly have the potential to drive agricultural productivity and growth. Subregional investments cannot and should not replace country-level investments and efforts, but can and should be complementary to them. The benefits from regionalization are many, but they will only come from changes and gains realized at the local community and household level, from improved access to new technical innovations and market opportunities.

The subregional strategies and programs will be inclusive, creating the opportunity for everyone to benefit and participate, but the efforts will be anchored in a few focus countries. The subregional efforts will be explicitly aimed at achieving intraregional market integration for agriculture; increased agricultural trade; harmonization of grades and standards; attracting commercial foreign investment in the larger regional markets for agricultural products and other consumer goods; building trust and cooperation across national borders, thus contributing to stability; and subregional cooperation to improve the flow of and access to technology and knowledge.

Under the initiative, subregional portfolios to promote agricultural growth will focus on agricultural trade, technology development and transfer, and information systems. The harmonization of trade systems creates opportunities for both farmers and agribusiness entrepreneurs. African farmers have a comparative advantage to produce for African populations and consumers. Agribusiness firms can increase efficiency and improve quality by marketing seeds, fertilizer and agricultural services in several countries. Harmonization of subregional markets can speed up responses to food shortages and help avert hunger problems. Subregional sharing of information reduces duplication of effort, expedites the transfer of high-performing seeds and technologies, and promotes African integration into global markets.

4.1.2 Focusing Efforts on Countries with Committed Leaders

African leadership is important to cut hunger and malnutrition. It is African leaders that need to put agriculture at the center of economic growth and poverty reduction in Africa. When African leaders are committed to agricultural growth, donors can partner with them to achieve significant results (as seen in Uganda).

The initiative will be implemented in Eastern, Western and Central, and Southern Africa through subregional and bilateral missions and programs. Countries selected will be those that have the following characteristics: a) a government committed to a strategy of economic and agricultural growth; b) an enabling policy environment conducive to private investment; c) a track record and commitment to play a leading role in promoting subregional cooperation and agricultural growth; d) support for broad political participation, and finally e) a USAID field mission presence.

The approach promoted in this strategy is to support and encourage countries that are committed to move forward, to pursue agricultural growth strategies, and to reduce rural poverty and hunger. But it is also important to focus on countries that have the ability to generate and sustain the momentum needed to affect the entire subregional economy, by helping to create a regional dynamic for change.

4.1.3 Accelerating Rural Smallholder-Based Agricultural Growth

Smallholder farmers supply the bulk of food commodities in domestic markets, as well as producing a large share of the agricultural export earnings in some countries. Meanwhile, the smallholder population is also the most adversely affected by hunger and poverty, especially under such rapid population growth rates. Output and income growth needs to come from improved access to productivity-enhancing inputs and market opportunities, which means that choices will need to be made about where to concentrate efforts and resources.

The initiative will encourage a focus on crop, livestock and environmental goods and services that African enterprises and farmers have the comparative and competitive advantage to produce. Emphasis will be placed on supporting the development of a basket of crop, livestock and environmental goods and services relevant to global, subregional and national markets. This includes traditional and nontraditional exports and food commodities. It will also emphasize raising product quality and preservation of product identity to make African agriculture more competitive.

4.1.4 Building Alliances and Commitment to Cut Hunger in Half

To achieve the goal of cutting hunger in Africa, substantial investment is needed. African governments, international and bilateral development agencies, private sector investors, civil society, universities, and a broad range of interest groups provide support for African development. All these, including USAID, need to work together to mobilize the resources needed. Alliances are needed among these groups to effectively mobilize sufficient resources to tackle the problem and coordinate the assistance that is provided.

The United States, through USAID, has the capacity to play a leading role in mobilizing the resources and commitments needed for such an undertaking. One ongoing effort is the Partnership to Cut Hunger in Africa, jointly chaired by U.S. and African leaders. Other efforts, such as AGOA, create additional incentives for various forms of alliances and partnerships.

4.1.5 Build Linkages with Other Sectors and Initiatives

Multi-sector approaches to reduction of malnutrition and poverty are essential, involving the promotion of health, education, and clean water as well as increased food supplies and non-farm sources of income. Further, integration of HIV/AIDS education, health care, and family assistance into agricultural projects and rural investments has positive impacts on rural livelihoods and agricultural growth. It is estimated that to meet the targets for cutting hunger, access to clean water will need to increase from 48% of the rural population in 1997 to 80% in 2015. And female access to secondary education will need to increase from 18% in 1997 to 45% in 2015.

Investments can and should be more precisely targeted to the poor. Better cooperation is needed across sectors at the community, national and international level in shaping and targeting development assistance. This will be made easier and more effective using new research and data at the national, community and household levels that help target who, where and why assistance is needed. Likewise, increasing the participation of communities in designing and implementing assistance programs improves their effectiveness, and can assist in integrating efforts across sectors as well as integrating relief and longer-term development assistance.

4.2 A Strategic Framework for Guiding Interventions Under the Initiative

The purpose of this section is to present a framework to guide strategy and program development (what and where to invest) to achieve smallholder-based agricultural growth. Both increased agricultural productivity and more competitive markets are two fundamental ingredients for stimulating growth in smallholder agriculture, and both offer real opportunities for high-impact USAID investments.

Competitively functioning markets mean that goods and services can be traded, efficiently and transparently; that farmers, traders, and investors have adequate and timely information on the quantity and quality of demanded goods and services; that finances exist to consummate the transaction; that infrastructure and transport systems exist to move the goods; that food processors and manufacturers have raw materials when they need them, to make products available when consumers want them, and in that way they want them.

Increasing smallholder-based agricultural productivity in Africa requires that family farms and agricultural enterprises have access to a renewable and continuing stream of new agricultural technologies to produce more with less; that farmers have access to markets for land, labor and capital to adjust their use of these resources; and that farmers have access to markets for agricultural inputs and outputs which function competitively to minimize margins between farmers and consumers.

To set investment priorities, choices will need to be made about where to concentrate the greatest efforts and resources. We use two key criteria. First, we target investments that are *important for African smallholders and firms*, using the hard-won lessons of recent years to identify causal factors in the development process. Second, we target investments that are *appropriate for USAID*, and complement rather than replace the activities of the private sector, African governments or other donors. By "important for Africa," we mean interventions that focus on a basket of crop, livestock and environmental goods and services that Africa has the comparative and competitive advantage to produce. These should be products that offer a real opportunity to rapidly raise rural productivity and incomes, leading to an overall structural transformation and growth of African economies. By "appropriate for USAID" we mean interventions that stimulate and strengthen the private sector, raising the productivity of investment and resource use by complementing what others are and will be doing.

Because of the critical need to carefully plan, monitor and evaluate progress under the new initiative, support for developing quality data and analysis (both by private and public sector agencies) needs to be addressed from the outset. USAID will join efforts with governments of focus countries, development agencies, trade and industry associations, research organizations and others to jointly shape action plans that are based on the best available information and analysis to chart appropriate pathways for achieving agricultural growth.

Action plans under the initiative will evolve around these core efforts, presented here as focal thematic areas.

1. *Science and technology*
2. *Agricultural trade and market systems*
3. *Strengthening community-based producer organizations*
4. *Building human and institutional capacity*
5. *Ensuring that vulnerable groups and countries in transition are not left out*
6. *Sustainable environmental management*

4.2.1 Science and Technology

Science and technology contributes to agricultural growth by raising the productivity of important food and export products and increasing the stability and volume of output. But increasing output is not a sufficient criterion for judging agricultural technology's success in tackling growth and hunger. Agricultural technology needs to improve product quality and help producers respond to markets, earn money, raise farm incomes, and lower prices of food to consumers. It needs to help entrepreneurs develop profitable enterprises, reduce post-harvest losses, and help relieve pressure on natural resources.

Technological change is fundamental for successful agricultural growth, and the supply of innovation depends crucially on public intervention to fund agricultural research and support seed multiplication or other kinds of technology transfer. These activities are profitable for society as a whole, but individual farms or firms cannot recover their costs directly from the marketplace. For society as a whole, the return from each dollar spent on science and technology in Africa has been quite high – on the order of 30–40 percent, compared to 5–15 percent in other areas.

The need for improving yields through science and technology is critical. Average yields of major crops in Africa are extremely low relative to other developing regions in the world, even those with similar agro-climatic conditions. Doubling or tripling yields in Africa for many of these crops should be quite feasible. For example, India covers only 12% of the entire geographic area of Africa, but feeds nearly twice as many people because it has adopted intensive agricultural practices through the use of new genetic varieties and resource management techniques. New frontier science and technologies, such as biotechnology and digital information systems, offer enormous potential to increase agricultural productivity and the competitiveness of many traditional farming systems. Given its rapid rural population growth rates, the future for Africa lies in a science-based green revolution, complemented by investments in market development and infrastructure, as well as in human capital and health.

Poor infrastructure and stunted market development limit opportunities to move towards more intensive farming systems. Input-intensive technologies are simply not economic when farmers have to pay 3 to 5 times the world price for their fertilizer and receive only 30–60 percent of the market value of their products – or when the extra production simply cannot be transported and sold. A new agenda and new partnerships are needed to take advantage of the opportunities that exist to make better use of technology and to be more efficient at generating new technology to grow incomes. As a first step, renewed levels of support to national agricultural research institutes (NARIs) is needed by African governments, but conditioned on reform of NARIs to strengthen their capacity to undertake and deliver cost-effective and demand-driven research. This will require giving farmer groups, including women farmers, more say in setting research agendas and in evaluating and disseminating research products, as well as changing funding methods (e.g., competitive research grants and user co-financing) to increase accountability, efficiency and transparency.

With growing capacity for research and extension in other agencies, such as universities, private-sector firms, and NGOs, new partnerships between public R&D institutions can be forged to capture synergies and comparative advantages. For example, private seed companies and input suppliers are playing larger roles as many countries liberalize and privatize their agricultural input markets. Many of these companies not only develop improved products of their own (a process that can include undertaking agricultural research on input marketing and adaptation to specific users), but also advise farmers about the use of products they sell and give them credit. Marketing and processing firms are also critical, as they are typically the main sources of innovation to reduce post-harvest losses and develop new export markets.

The research agenda should also have in place a greater emphasis on targeting research for the poor, by increasing the focus on technologies adapted to the needs of small-scale farmers in disadvantaged regions. The goal should be improving the quantity and quality of basic foods consumed by the poor, as well as the crops and livestock they sell on local and international markets. Also, greater emphasis is needed on environmental problems and natural resource management (NRM).

From a subregional (multi-country) perspective, science and technology links across countries in Africa need to be strengthened to obtain economies of scale in research on problems of common interest (e.g., major crops or pests) and to invest in and strengthen standards and regulations related to science products and technologies, such as biotechnology and biosafety issues. Subregional networks and the international research community, including universities and the CGIAR, will be critical for short- and long-term improvements in the supply and widespread diffusion of technologies.

Indicative interventions might include:

- Science and technology generation: Double the number of scientists and operational funds per scientist in national agricultural research; develop subregional science and technology strategies and programs that tie research funding to research outcomes, poverty reduction and sustainable economic growth; build and implement national and regional competitive research funds; promote and support technology alliances within the African and international research community, to ensure the rapid flow of research techniques across borders; support biotechnology system development, to maintain and enhance genetic and other natural resources.

- Extension and Technology Transfer : Establish competitive, performance-based technology transfer programs, such as Technology Applications for Rural Growth and Economic Transfer (TARGET); enhance agricultural education and training; strengthen NGOs; strengthen private input supply system development.

- Science and Technology Policy: Enhance and strengthen biosafety standards and regulations; promote the harmonization of seed registration, to facilitate seed trade across countries; address issues of intellectual property rights; promote the creation of agricultural science and technology policies at the national and subregional levels.

4.2.2 Agricultural Trade and Market System Development

Although productivity gains brought about through research and technology diffusion have to underlie the future of African agricultural revolution, markets play a key role in cost-effectively bringing technology, namely inputs, to producers and in enabling them to realize income gains from increased production. Making markets work for the poor in Africa is therefore pivotal to achieving hunger and poverty reduction.

The development of agricultural trade and marketing systems contributes to agricultural growth by creating the kind of competitive environment that helps connect African farmers to consumers, either in export or domestic markets. It does so by adding value to products and processes that can deliver high-quality and safe products while reducing costs to consumers. And it does so by creating the climate and infrastructure necessary to attract private foreign investments in African agriculture.

Well-functioning markets and trade systems are necessary for growth, but not sufficient – as the recent experience with market liberalization and reforms in Africa has shown us. In the absence of an adequate institutional framework defining the ‘rules of the game’ and/or an adequate and consistent supply of modern inputs and market information systems, many African exporters have neither the capacity to expand output and improve product quality, nor the ability to assure a timely delivery and adequate supply of the final product to consumers. The quality of many African agricultural products is so low by international standards, and post-harvest losses are so high, that there are enormous opportunities for improvement. At the same time, market transaction costs are among the highest in Africa, mostly due to poor rural roads and transportation infrastructure (see Box 1).

There is a vast potential for penetrating new market niches as well as increasing market share for traditional products in both domestic and international markets. In the post-market liberalization era, more emphasis now needs to be placed on strengthening institutions responsible for standards and quality control, enforcement of contracts, market information, product promotion, etc.; strengthening market support services (e.g., credit and other financial services, transport, refrigeration and storage); improving rural infrastructure, especially roads and telecommunications; and reinforcing policymakers' commitment to market reforms.

More broadly, African farmers must become more competitive in export markets if they are to gain market share. Traditional export crops like coffee and tea have lost their competitive edge, in large part because they have not kept up with new innovations in product quality and specialization. These are problems that could be reversed with the right type of policy reforms. To benefit more from global trade, African countries will also need to be part of and conform to world trade agreements and standards. Trade integration, along with trade facilitation efforts in agriculture (which accounts for a majority of exports from Africa), needs to be accelerated and expanded.

> **Box 1:** *High transaction costs isolate many African farmers from market*
>
> In 1995, it cost about $38 to ship a ton of corn from Kansas to the Kenyan port of Mombassa. The same shipment then cost $115 to transport from Mombassa to the town of Kisumu, about 300km inland.

Indicative interventions and tools for improvement include:

- Promote Trade Integration: Integrate subregional trading blocks, without imposing higher barriers to trade outside the block; harmonize grades, standards and regulations; reduce non-tariff barriers; develop the capacity for African governments to participate in global trade negotiations (e.g., WTO).

- Agricultural Trade Facilitation and Market System Development: Promote info-structure development; strengthen commodity supply chain linkages; review and revise regulations, and remove public monopolies on transport; increase the role and number of private firms involved in trade; strengthen contract enforcement and commercial law frameworks; promote voluntary producer associations for marketing; strengthen capacity of public and private sector to provide market services; strengthen product certification and inspection services; support subsector analysis.

- Finance: Strengthen rural financial markets to serve small farmers, traders and processors; increase access to microfinance for small and medium-size agricultural enterprises; increase the use of development credit authority to promote foreign investment; strengthen warehouse receipts systems to support trade and inventory financing.

Working with other bilateral and multilateral donors, African governments will be encouraged to emphasize revitalizing public investments in rural infrastructure (roads, transport and storage). Without such complementary investments, high transaction costs will effectively keep farmers isolated from large urban markets while facing threats of plunging prices due to a supply glut in local markets.

4.2.3 Community and Producer Organization Development

Community- and producer-based organizations contribute to agricultural growth by giving political voice to farmers' economic interests, which otherwise would not be heard because of farmers' low incomes and geographic dispersal. Such organizations help to bring cohesion among many smaller farmers in dealing with traders and business enterprises (e.g., food processors, manufacturers, and food outlets), as well as policy and research groups. Community and producer organizations play a central role in gaining value from market and trade systems development, investments in technology systems, and improving access to microfinance. Community organizations are also important stewards of local natural resources.

Investments to strengthen community and producer-based organizations lead to lower marketing margins and higher prices for producers; improved product quality; increased access to extension, input and financial services; and greater participation of the rural majority in decision-making processes. Strengthening of producer organizations will help create jobs through various off-farm enterprises.

Structural adjustment and market liberalization that removed government from many market and service functions created a vacuum, leaving many communities and farmers to fend for themselves. In many cases, these conditions have led to political backlashes that have caused some backsliding on market reforms. Amidst the acrimony, a motto has emerged in many rural areas: The future belongs to the organized.

Cultivating and strengthening community and producer-based organizations is a needed task that faces many challenges. These include developing farmers' business and management skills, establishing information systems and pathways to connect rural communities with domestic and global markets and knowledge systems, creating good governance practices, and building the infrastructure to connect smallholders to finance and input supply systems. The need for voluntarily organized, economically viable, self-sustaining, self-governing, transparent and responsive community and producer-based groups is enormous and growing. Supporting this will require government and donor support, engaging with businesses, NGOs and civil society groups. It also creates the demand for services to help government, donors and businesses validate and certify the professional credibility and validity of community and producer groups.

Indicative interventions and support could include:

- Producer Organization Development: Launch business planning and development programs; set up certification systems; establish rural-based quality management centers to promote product grades and standards; broaden training and education.

- Policy: Eliminate legislation creating a state monopoly on cooperatives; establish policy framework for promoting voluntary producer organizations; develop codes of conduct and certification systems; decentralize authority over resources; community-based resource management organizations.

4.2.4 Human Capital, Institutions and Infrastructure

Building human capital, institutions and infrastructure are critical conditions for achieving agricultural growth. They are the fundamental building blocks for realizing agricultural growth. Over the past decade, there has been significant policy reform but limited institutional reform. Many of the institutions that were created under central government control of markets and services were ill-equipped to work in a liberalized market environment. As a result, many good policies and investments can go sour not because they are poorly conceived, but because the institutions that implement them don't work well. Reform of public institutions must overcome vested interests, otherwise new forms of intervention and rent-seeking simply replace old ones.

Unfortunately, human capital for supporting rural growth and development has deteriorated over the past few decades. For example, although the number of African scientists increased during the past three decades, research funding has declined sharply, and now many scientists trained in the 1970s and 1980s are nearing retirement. Agricultural growth and technological innovation require new investments in training individuals, strengthening institutions and building private and public sector capacity in a wide range of agriculture-related areas.

As a world leader in science-based training, U.S. educational institutions have an important role to play here. The level of U.S. support for science-based training and application in Africa heavily influences the degree to which Africans turn to U.S. institutions for help and advice, and also influences the ability of U.S. institutions to understand Africa and help it gain economic grow and social stability. If the U.S. does not train more scientists and help them do good research in Africa, the socioeconomic gap between the continents will only widen.

Investments in building public and private sector capacity and institutions for successful rural growth will be aimed at building capacity to manage public policy to support pro-poor agricultural development; attract and mobilize investment; provide technical services, such as research, product certification and inspection information; provide access to agricultural training and education, especially for children in rural areas; and enforce contracts, laws and property rights. Mutually supportive linkages with other sectors will also be outcome of these investments.

Infrastructure and rural services are central to agricultural development. They not only expand opportunities for growth, but also help ensure that such growth is more diffused and equitable. Without the means to connect rural areas to market centers, farmers cannot procure sufficient fertilizers and other inputs at prices they can afford, nor can they market their own products effectively. In the absence of good infrastructure, market reforms can actually drive a greater wedge between those living in remote regions and those who are well connected by infrastructure, often with the former retreating into subsistence farming. Similarly, poor access to health and education services diminishes agricultural productivity and can lock rural people in a poverty trap.

Opportunities abound for new partnerships between the public, private and NGO sectors for the provision of public services. Even where government must pay for all or most of a service, this does not mean they necessarily have to supply it themselves. Contracting out arrangements with other parties can be much more cost-effective, and may offer better possibilities for involving local people and communities. The types of partnerships desired will vary by sector and function, with many more opportunities to diversify supply arrangements for education and health services, for example, than for the provision of rural roads and market regulation.

Indicative interventions include:

- Education: Provide higher education to Africans in agriculture-related disciplines; link U.S. and African institutions to build capacity and facilitate mutual understanding; offer in-service and on-the-job training in areas of emerging need, such as product certification, inspection and contract enforcement.

- Institutions and infrastructure: Strengthen rural services; build links between agriculture and other sectors; support policies, financial mechanisms and training to improve transportation and information flows between rural populations and market centers.

4.2.5 Protecting the Vulnerable and Accelerating the Transition from Disaster to Development

In times of crisis, the needs of the most vulnerable are of highest priority. But hunger and poverty are not immutable issues. They are induced, man-made issues. Poor planning, inefficient use of resources, and the lack of investment in appropriate long-term measures leads to the shocks and crises that occupy and consume large amounts of resources. And as larger shares of available resources are used for responding to crises, opportunities to make long-term improvements are lost or reduced, leading to a significant economic and social cost over time.

Challenges in the areas of transition from crisis include a) poor overall infrastructure and access to markets, health and training centers, b) widespread health problems like HIV/AIDS, malaria, tuberculosis and other contagious diseases, c) heavy exposure to food price volatility due to market liberalization, climatic risk, and the ever-present threat of further civil unrest (in 1999 alone, 14 African countries were embroiled in conflict, creating 18 million refugees and shrinking food production anywhere from 3% in Kenya to 44% in Angola). Consequently, the cost of disaster assistance is becoming a major financial burden for many governments and donors, and the cost is escalating as more people live in vulnerable areas and as global climate change increases the frequency and severity of many natural disasters.

The central goal for assistance should be to reduce long-term dependency, encourage self-reliance and enhance the ability of communities and countries to respond to growth opportunities. Efforts should be targeted to helping the chronically poor and hungry find viable pathways out of poverty through a) accumulation of productive assets (the chronically poor have extremely limited access to land, skills, and capital, which entraps them in a cycle of poverty and hunger), b) reduce the vulnerability of poor and near poor people to shocks induced by weather, market and conflict, and c) enhance the capacity of countries to manage shocks that have subregional and national impacts.

More specifically, the emphasis should be on helping poor small-scale farmers to diversify into labor-intensive, high-value products to exploit their comparative advantage and to increase value added per hectare, while helping them to organize to obtain better access to, and better terms in, the market. Small-scale farmers, especially women farmers, should receive greater priority in agricultural research and extension, as well as in credit or microfinance programs. As farmers' opportunities evolve, there is an increasing need to improve their access to land by reforming rental and sale markets. These markets are evolving anyway in response to growing population pressure, but can be strengthened by providing an effective legal framework and by titling land where it has become a valuable and tradable asset. Complementary investments in rural health, education and training, in conjunction with and in the same communities as those where agriculture programs are implemented, is also a key tool to reduce vulnerability, as healthier and more educated people are often able to adjust more quickly to changing circumstances.

In building programs to reduce vulnerability and accelerate the transition from disaster to development, two key lessons stand out. One is the importance of developing "self-targeting" programs that minimize the distortion of incentives and leakage to the non-poor. A second is the importance of "productivity-enhancing" programs that offer new opportunities for those affected by disaster to permanently improve their livelihoods. One successful form of self-targeting interventions are food-for-work (or cash-for-work) programs, such as those used successfully among drought-vulnerable populations in Botswana and Cape Verde, where people work on public projects in poor-rainfall years, and work on their own farms at other times. The most successful form of productivity-enhancing intervention is the public distribution of improved seeds during transition from crisis. Examples include the distribution of improved sorghum seeds in Zimbabwe after the 1992–93 drought or the distribution of improved bean seeds in Rwanda after the genocide.

Various advanced tools can be used in targeting assistance more precisely on the poor, using new research and data at the continent, subregional, community and household levels about their characteristics (who, where and why?) and improving efficiency in serving the vulnerable. Increasing the participation of communities in designing and implementing assistance programs increases their effectiveness, and can advance the integration of relief and long-term development assistance.

Indicative interventions include:

- Asset accumulation: Access to research and extension services; access to improved inputs (seeds); access to markets; strengthening microfinance opportunities that help the poor save and invest; strengthening rental and sale markets for land by improving legal frameworks and titling procedures

- Targeted programs: Self-targeted programs (e.g., food for work); productivity-enhancing programs; more precise targeting and monitoring of assistance through advanced tools like geographic information systems (GIS).

- Multi-sector approaches: Linking disaster assistance with health, education and agricultural investments to strengthen rural livelihoods and agricultural growth.

4.2.6 Environmental Management

Environmental management ensures long-term agricultural and rural growth by sustaining scarce environmental resources (e.g., water, forests), reducing or reversing degradation caused by agricultural interventions, and developing markets for environmental goods and services. For instance, emerging markets for ecosystem services have the potential to generate additional income from the sustainable use of natural resources (e.g., ecotourism and the sale of non-timber forest products) or from productive activities that are likely to simultaneously improve land quality and facilitate the preservation of existing natural resources (e.g., carbon sequestration through tree planting). Developing markets for ecosystem services will also present many of the same challenges that traditional markets face, including getting access to roads and other infrastructure, meeting institutional requirements for third party verification, and establishing financial systems to pay farmers for ecosystem services (particularly in the case of carbon sequestration).

Under growing population pressure, natural resource degradation is a clear threat. In such areas, alternative non-farm activities may be a key livelihood strategy for reducing the negative effects of population on the environment – especially when access to land is extremely limited. In addition, effective livelihood strategies for less favored areas that incorporate natural resource management are urgently needed; however, they must be linked to the comparative advantages of these marginal areas.

Access to productivity-enhancing inputs can also help relieve pressure on scarce lands. Providing access to new technologies and markets is therefore essential. The pressing question is how to deliver the new seed varieties and complementary inputs such as veterinary care that are needed to make these technologies profitable for farmers. Government, NGOs, community-based organizations (CBO), the private sector and individuals all have a potential role in the dissemination of inputs and information on technologies that will lead to improved land management. In general, strong community-based institutions offer the greatest potential for the exchange of information on new technologies. Strengthening farmer organizations and other CBOs will facilitate innovation and adoption of natural resource conservation technologies. NGOs also have significant potential to have a lasting impact on land management through the development and dissemination of land management technologies and by organizing communities for successful collective action.

Indicative interventions include:

- Land Use Management: Promote win-win options for growth and environmental management; develop markets for environmental goods (e.g., carbon sequestration) and non-timber forest products; find and diffuse technology applications for resource management, especially soil fertility management, water harvesting and agroforestry.

- Resource and property rights: Decentralize authority over rights; negotiate subregional (cross-border) resource management agreements; develop water rights and management policies.

- Information Systems: Develop GPS/GIS systems and capacity; map and monitor agricultural and environmental land use.

4.3 Principals and Approaches

Over the past several decades, important lessons have been learned about how to conduct agricultural development so as to achieve sustainable improvements in the performance and output of food systems in Africa. Programs supported through the initiative will be designed to embody these lessons where appropriate, including the following:

- Increase African responsibility and authority for shaping, managing and leading the development effort

- Use participatory planning and decision-making to involve members of rural communities.

- Initiate public-private alliances and partnerships for sustainable development.

- Apply food system approaches that promote effective vertical linkages throughout the supply chain, from production to marketing to processing.

- Provide performance-based funding for support services and systems.

- Involve governments in developing and maintaining an effective operating climate for private agricultural firms and farms.

V. SELECTION OF FOCUS AREAS

This chapter presents focus regions and countries for the initiative, discusses principles and elements of subregional portfolio's important for success of the initiative, and discusses criteria for focusing efforts on crop, livestock and environmental goods and services (at national and subregional level) to raise agricultural productivity, rural incomes and the contribution of agriculture to economic growth and cutting hunger.

This initiative takes on the issue of getting the most out of development efforts and resources by advocating that efforts should be focused on countries, opportunities and approaches that are able to succeed (efficiently) in raising rural incomes and improving nutrition for the rural majority. In practice, the framework outlined in the previous chapter could be applied in many or most countries. However, the chances of success are not equal in all countries. Among other things, local commitment and leadership will be instrumental in getting the most out of development resources. Nor are different goods and services equal in their potential to induce and enable rural smallholders to grow out of poverty. In sum, the intent of focusing is to increase the probability of success, and get the greatest impact possible from the resources available. The basic implications of this are that the initiative will not be implemented in all countries (these decisions will be made at the Bureau level); there is important analysis that will need to be conducted by participating missions and operating units (especially country and subregions), along with their partners, to guide their collective efforts; and technical programs will need to be coordinated at the subregional level.

The notion and concept of focusing as used here has three dimensions or perspectives, important to achieving agricultural growth and the success of this initiative.

- **Focus countries** where the conditions and opportunities for achieving agricultural growth exist. This chapter will present the focus countries for the initiative and explain how they were identified.
- **Elements and characteristics of subregional strategies and programs** that create the conditions for spillover of innovations and spread of benefits across countries, as well as create the opportunities for farmers and firms to participate in and penetrate the markets of other countries in the region and the world.
- **Focus goods and services** that offer the greatest potential for raising rural incomes through agricultural production and off farm enterprise development. *The chapter will discuss criteria to help in making choices about what goods and services have the potential for rapid and sustained growth.*

There are several basic facets of the approach used to organize the initiative and select focus countries that are useful to note. First, the incidence and number of people in hunger and poverty in Africa are significant, with few exceptions, in virtually every country. This means that nearly every country would quality from a need perspective. Second, with few exceptions, there is no country in Africa that has the ability (capacity, finances, markets, institutions, natural resources) to go it alone in pursuing sustainable agricultural growth. Third, empirical analysis of options to implement the initiative show that the greatest impact and most efficient use of resources to achieve impact comes from a coordinated, coherent effort involving both subregional and country specific investments. In line with this, we have been led to advocate that a subregionally focused and coordinated effort is needed to create the dynamics within and across countries to accelerate agricultural growth and tackle hunger. This does not mean that concentrated effort is not needed in individual countries and communities. Rather, it implies that concentrated efforts in one country or community are relevant to and can benefit from the interests and capacities in neighboring countries.

5.1 Focus Countries

To identify focus countries the countries of Africa were first grouped into subregions (Eastern, West and Central, and Southern Africa). In turn, characteristics (indicators) for each country in the subregion were examined and the countries were ranked on performance, potential, need and strategic importance to the subregion.

In each subregion there are countries at different stages of development that are tackling different issues and needs. On the one hand, there are countries that are on the path to accelerated agricultural growth. Opportunities exist to promote improvements in productivity, trade, employment, and income generation. Increased agricultural investments in the country offer significant prospects for being successful and leveraging additional funding from local and international sources to promote agricultural growth. At the same time, there are countries struggling just to create the conditions for stability, growth and investment. And there are countries in or emerging from crises that have left large proportions of the population vulnerable, hungry and well below the poverty line.

While there continue to be wide differences between countries in each subregion, which will require different strategies for development from an agricultural context and resource-base perspective, there are substantial similarities between the countries. These basic similarities allow win-win opportunities to be created, where linkages between countries at different stages of development can benefit both or all.

Box 2 *Promoting Win-Win Opportunities for Agricultural Growth and Food Security: The Example of Cassava in East and Central Africa.*

The development of new and improved cassava production technologies in the three high priority countries (Kenya, Tanzania and Uganda) have the potential to benefit countries that share similar agro-ecologies and where cassava is an essential commodity (e.g., the Democratic Republic of Congo). Analysis of spillovers indicates that over half of the gains in new technology developed in other East and Central African countries can be captured by the food-insecure D.R. Congo (an estimated 52%). This translates into net gains that are similar, if not more, that those experienced in the three high priority countries where the technologies originated. At the same time, cassava developments offer opportunities in Kenya, Uganda and Tanzania for product diversification, exports and off-farm employment through feed and starch options.

Source: Based on recent simulations conducted by IFPRI (August, 2001).

As noted above, countries have been grouped into subregions, and, in turn, ranked and characterized within each subregion. Three countries per subregion have been identified as initiative focus countries. The purpose of selecting three per subregion is to promote a political, technical and economic catalyst – a critical mass within the subregion for pursuit of agricultural growth. The number of focus countries may grow or shrink, based on status of the country efforts and resources available. In this context, the framework provides a basis for expanding and contracting as circumstances and resources change. It also provides a framework for consultation and collaboration with development agencies and partners.

The nine focus countries for the agricultural initiative are Uganda, Tanzania, Kenya, Mozambique, South Africa, Malawi, Nigeria, Ghana and Mali. (See Annex 2 for a detailed discussion of the indicators used and ranking of the countries for each subregion).

East and Central Africa. This subregion, defined by the initiative, includes 11 countries: Burundi, Democratic Republic of Congo, Eritrea, Ethiopia, Kenya, Madagascar, Rwanda, Somalia, Sudan, Tanzania and Uganda. At present, there are USAID field mission in nine of the 11 countries. The high-performing focus countries for Eastern Africa include Uganda, Tanzania and Kenya. Together they account for 61% of agricultural exports from the subregion, 56% of the GDP, 50% of the agricultural GDP, and 31% of the population in the subregion. Approximately 32.8 million people are currently undernourished in these three countries, accounting for between 30% and 43% of each country's population.

Table 1. Focus Country's Share of Region's Agriculture and Economic Activities

	Percent Share of Region's Agriculture Exports (1998)	Percent Share of Region's Total GDP (1999)	Percent Share of Region's Total Agricultural GDP (1998)
East Africa			
Kenya	35%	23%	15%
Tanzania	13%	19%	21%
Uganda	13%	14%	14%
Total:	**61%**	**56%**	**50%**
Southern Africa			
Malawi	6%	1%	7%
Mozambique	3%	3%	13%
South Africa	67%	81%	52%
Total:	**76%**	**85%**	**72%**
West Africa			
Ghana	12%	8%	8%
Mali	3%	3%	4%
Nigeria	7%	45%	50%
Total:	**21%**	**55%**	**62%**

Source: Calculated using data described in Tables A4 and A5.

West and Central Africa. This subregion, as defined by the initiative, includes 19 countries: Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Republic of Congo, Côte d'Ivoire, Gabon, Gambia, Ghana, Guinea, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone and Togo. At present, there are USAID Missions in seven of the 19 countries. The West and Central Africa focus countries selected for participation in the initiative include Nigeria, Ghana and Mali. Together, the three countries account for 21% of the agricultural exports, 55% of the GDP, 62% of the agricultural GDP, 58% of the population and 34% of the undernourished population of the subregion.

Southern Africa. This subregion, as defined by the initiative, includes 11 countries: Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Zambia and Zimbabwe. At present there are USAID field missions in seven of the nine countries. The Southern Africa countries selected for participation in the initiative include South Africa, Mozambique and Malawi. Together, they account for 76% of agricultural exports, 85% of GDP, 72% of agricultural GDP, 60% of the population and 46% of the undernourished population in the subregion.

5.2 Subregional Agenda and Portfolio

As noted in Chapter IV, a subregional platform to complement country level efforts will be very important to accelerate agricultural growth. It will also be important to spread the benefits of the agricultural initiative to cut hunger beyond the focus countries.

Some specific challenges unique to the subregional portfolio will include:

- Building coherence across countries and across USAID operating units.
- Promoting spillovers between focus countries and non-focus countries.
- Connecting countries in the region through systems and activities that have clear and strong mutual interest for all parties.
- Building trust across countries.
- Increasing efficiencies through subregional coordination of technical agendas and services, to ensure that local capacity is used effectively to tackle local issues.
- Connecting the subregion to the world (both global markets and knowledge systems).
- Building services to support trade facilitation (efficiently completing transactions across countries).

In practical terms the subregional portfolios will need to connect:

- Vulnerable populations and countries with subregional and global opportunities to reach the market and for the market to reach them.
- Competitive high-performing businesses and industries with opportunities to engage in and capture a larger share of the world market.
- Technical organizations in the subregion around a comprehensive strategic plan to enable a more efficient service system to be created to address needs of priority subsectors, goods and services.
- Emerging food industries in the subregion with suppliers and producers to reliably provide high quality raw material.
- Policymakers (from public and private sector) to build alliances and commitments to promote competitive agricultural food systems.

A subregional focus will build partnerships among neighboring countries, open markets, create the mechanisms and opportunities for the countries to gain mutual benefit from advances in science and technology, improve competitiveness in global markets, and promote linkages to avert and respond to food-based crises in the subregion. The focus country programs will be able to contribute to this dynamic by investing in commodities, systems and constraints that have significant spillover potential and application in neighboring countries, besides significant potential for promoting growth in their country.

The collective efforts of various USAID operating units need to fit together coherently and strategically, building on comparative advantages, to truly succeed in this strategy. This means that a cross-borders framework will be needed to take full advantage of various USAID capacities and alliances.

Among other things, efforts in focus countries and in the subregion will be coordinated with development efforts of the Democracy, Conflict and Humanitarian Assistance pillar bureau. These efforts will also focus attention on countries in greatest need, and work through subregional programs to build effective linkages and coherence between countries that helps spread benefits throughout the region. Regular reviews of the status of vulnerable countries will be jointly completed at the subregional level with early warning systems to avert crises.

5.3 Crop, Livestock and Environmental Goods and Services

Agriculture is fundamentally a process of generating goods and services that society, firms and individual consumers want. For agriculture farms and firms to effectively play their role in economic and social development they must be responsive to these interests and needs.

The choices made about what goods and services to focus productive efforts on are strategic decisions that have a direct impact on the ability of farms and firms to raise incomes and the ability of rural communities to grow out of poverty. The reality is that agricultural markets are volatile, and there is not one single product (good or service) that has the potential to raise rural incomes for everyone. Rather, a basket of goods and services is needed at the household, community and country level to reduce risk and ensure that growth can be sustained when one product is not doing well.

At a portfolio level, for a USAID mission and its partners attempting to make choices about what goods and services to focus on to promote agricultural growth, there are three or four fundamental challenges that the target goods and services must address:

- The need to reach the smallholders that make up the majority of the rural poor, engaging them in the production of goods and services that they can profitably produce for markets and invest in, as a pathway out of poverty. *Goods and services important to domestic consumption, with growing markets*.
- The need to connect small-scale farms and firms in rural Africa with global markets and opportunities, to raise their earning and diversify their productive efforts. *Nontraditional and traditional exports that can leverage investment and raise earning power through product quality, or preservation of product identity.*
- The need to create and support a range of options that collectively have stable demand, minimize risk and encourage investment in productivity. *Products with growth potential in intraregional markets or with unmet market demand*.

Criteria to consider in making choices about what crop, livestock and environmental goods and services to invest in include the following:

- Market demand for the good or service.
- Existing and/or potential competitiveness of farm or firm to produce the good or service (e.g., rate of return).
- Potential to encourage and promote diversification and stability in cash flows and income streams.
- Potential to improve efficiency in the production and marketing supply chain of the food system.
- Potential to raise productivity in the production and marketing of the crop, livestock or environmental good or service.
- Potential to raise incomes or large segments of rural populations through on- and off-farm involvement in the production and marketing chain.
- Potential to leverage domestic and foreign investment.

In sum, the initiative will encourage a focus on crop, livestock and environmental goods and services where African farmers and firms have a comparative and competitive advantage, and that are relevant to global, subregional and national markets. This includes traditional and nontraditional exports and food commodities with the potential to sustainably raise incomes, attract private investment, and lend themselves to smallholder production and technical innovation.

VI. IMPLEMENTATION PARAMETERS

The following provides basic implementation parameters for USAID's Agricultural Initiative to Cut Hunger in Africa. Items addressed include focus subregions and countries; duration; funding and obligation of funds; operating unit action plans; management and staffing; reporting and indicators; coordination among USAID pillar, subregional and country operating units; donor coordination, and partnership and alliance development. The basic roles and responsibilities for various operating units are also presented.

6.1 Focus Regions and Countries

The Agricultural Initiative to Cut Hunger in Africa will be implemented in FY 2003 in Eastern, West and Central, and Southern Africa through subregional and bilateral missions and programs. The process for the selection of focus countries is discussed in chapter five. The number of focus countries selected per subregion is based on the number of countries meeting the focus-country criteria and the availability of resources. The Assistant Administrator for Africa is responsible for determining what focus countries will be included in the initiative. The Africa Bureau will lead a performance review of participating operating units on an annual basis.

6.2 Duration of the Initiative

The Agricultural Initiative to Cut Hunger in Africa is a fifteen (15) year effort, with annual, five-year, ten-year and fifteen-year performance targets, including targets for 2015. The initial action plans for the initiative will cover five years. Guidance to cover follow-on plans will be provided at a later date.

6.3 Funding and Obligation of Funds

Funding will be provided to focus missions through their annual OYB. Funding will be provided against an approved five-year agricultural initiative action plan that will be developed by each mission or operating unit receiving agricultural initiative funding. Missions will be responsible for obligation and procurement, including congressional notification. Funds will be obligated through strategic objectives (SOs). A line item within each SO will be established to facilitate monitoring and reporting status of funding and pipelines.

The annual allocation of funds to focus missions will be determined by Africa Bureau management based on the availability of funds, performance of participating operating units, and the strategic nature of the results being pursued and achieved in meeting the initiative targets and objectives.

6.4 Operating Unit Action Plans for the Agricultural Initiative

The agricultural initiative will include:

- Subregionally focused efforts in East, West/Central and Southern Africa.
- Expanded efforts in selected focus countries in each subregion.
- Continent-wide and global efforts to promote coordination with the international development community and increase African participation in global market and knowledge systems.

Participating operating units will develop initial five-year action plans for the period 2003 to 2008. These action plans will be internally reviewed by the originating operating unit for their contribution to the mission's strategy, and by Washington technical and policy offices for their contribution to the initiative's objective and targets.

Each country-specific action plan should be accompanied by a stated commitment from the host government to support agricultural growth strategies and the action plan. The action plan will need to be submitted and approved prior to authorization and operating year budget (OYB) transfer of FY 2003 funds to the mission.

In setting priorities for the focus bilateral missions, the importance of country-level efforts and their potential impact in the subregional context should be addressed. These efforts will contribute to expanded subregional opportunities and promote efficiencies and spillover of benefits across individual country borders. USAID global and region-wide programs should be encouraged to support work on the subregional and national priorities and strategic challenges Africa faces.

The five-year action plans should include, among other things, a results framework that integrates current mission efforts in agriculture, as well as new or expanded results that will be addressed through the initiative. The results framework should clearly identify the additional results and level of change that will be targeted. It should also include a five-year financing plan; a strategy, tactics and tools for implementing the initiative; a description of the programs and projects that will be used to implement the initiative action plan; and a monitoring plan, with performance targets and indicators.

The action plans will be reviewed by policy, planning and technical offices in Washington, and approved by the Assistant Administrator (AA) for Africa. The AA for Africa will have authority for approval of action plans.

6.5 Reporting, Targets and Indicators.

The Africa Bureau will complete an annual report on the performance of the agricultural initiative. Initiative-wide targets will be established in FY '03 in conjunction with participating operating units and partners.

Missions receiving supplementary agricultural initiative funding will be expected to develop measurable and verifiable targets as a part of their action plans, and to report on these annually. The information and reports from missions will be integrated into the Bureau report. Reporting will be done through normal performance reporting systems and will be integrated into the mission's annual performance report.

AFR/DP and AFR/SD, taking into consideration Agency guidance, will be responsible for providing supplementary guidance for the mission technical reports on the agricultural initiative.

6.6 Subregional Coordination and Strategic Coherence of Country and Subregional Action Plans

The initiative will provide support for strategies and programs that will be managed and implemented through various operating units, i.e., country mission level, subregional mission level, Africa Bureau (continent-wide) level, and the pillar bureau (global) level.

The initiative will promote joint planning and coordination of programs to ensure that the investments made by country and subregional missions, as well as Washington-based operating units in the Africa Bureau and relevant pillar bureau, are complementary and coherent.

Prior to approval of the action plans, a meeting will be held in each subregion involving the focus country missions, the subregional mission and Washington-based operating units to review the action plans and build coherence and coordination of proposed efforts across the action plans.

Annual planning and review sessions will be held at the subregional level. These will involve technical officers from all USAID field missions in the subregion, as well as representatives from Washington-based technical offices.

6.7 Initiative Management

The Bureau for Africa will be responsible for overall management of the Administrator's Agricultural Initiative to Cut Hunger. The Africa Bureau's Office of Sustainable Development will provide technical support for the Bureau, to manage the initiative.

The Economic Growth, Agriculture and Trade (EGAT) Pillar Bureau will manage programs and services that provide support to the Bureau and its bilateral and regional field missions.

Managing of the initiative in bilateral and regional missions will be the responsibility of mission management.

In light of the expected management oversight that will be needed, it is expected that each focus mission will have an agricultural strategic objective team to handle the agricultural initiative and related economic growth portfolio.

6.8 Staffing

Each focus mission will receive support for, at a minimum, one full-time technical staff person committed to the oversight of initiative programs and projects.

During the development of the action plan, a management review should be completed to determine, among other things, staff needs. Missions are encouraged to closely examine needs for agricultural technology and agricultural trade specialists, given emerging changes and opportunities that may need to be managed. The management plan should be submitted to the Bureau as part of the action plan.

Missions will have the discretion to recruit program-funded staff to support management with agricultural initiative funds.

6.9 Donor and Host Country Coordination

A key aspect of the initiative is engaging with the international development community and African governments to build commitment to an increased level of effort in agriculture in Africa. Closely related to this is the need to develop coherent strategies and programs with other donors and governments, which will create synergies among the development efforts of these communities.

At the country level, USAID support for agricultural programs will be relevant and important to the Poverty Reduction Strategies. The agricultural initiative will help deepen the understanding of the linkages agriculture has with other sectors, and help create effective pathways to tackle poverty. Mission action plans for the agricultural initiative should be closely coordinated with the country PRSP process and plans.

At the subregional level, USAID missions will be asked to play a key role in establishing and promoting a subregional (cross-border) framework and mechanisms for donor coordination of agricultural strategies and programs.

At a continent-wide level, the Africa Bureau will coordinate with various established forums and processes, including DAC, SPA, FARA, etc. Also, where appropriate, the Bureau will coordinate with U.S.-based interest groups and partners to build strategic alliances to achieve the objectives of the initiative.

At the global level, the EGAT pillar bureau will work with global and international partners to mobilize and coordinate their collective efforts in support of the African initiatives strategies and programs. In turn, EGAT and AFR/SD will bridge with and bring these opportunities for cooperation to focus countries and subregions.

VII. OPERATIONAL PLAN AND MANAGEMENT

This chapter presents specific actions that have been and will be taken by USAID to put the full-scale initiative into action. Details are provided for the Quick Start efforts begun in FY 2001; a 2002 and 2003 action plan; performance monitoring; and the Africa Bureau's roles and responsibilities.

7.1 Quick Start

The Quick Start agricultural initiative investments made by the Agency in FY 2001 constitute an early effort to address the focus areas described above. Quick Start activities place an emphasis on training and making agricultural technology packages widely available. They will also help the agency develop an analytical basis for making decisions on where to focus and what to focus on. The activities initiated with FY 2001 funding include the following, consistent with the focus areas of initiative:

- Implementing the TARGET program;
- Training a new generation of agricultural scientists and policy leaders; and
- Expanding biotechnology investments.

The quick start activities are being implemented through bilateral missions and through several central Pillar Bureau programs to make technology and information systems, in particular, more accessible to African interest groups.

Specific follow up actions in FY 2002 for the Quick Start activities include the following.

- In February 2002, the START Project agreement was established to support the capacity building and advanced degree training. Field assessments will be conducted in focus countries to determine capacity-building needs. Early entrants for the school year beginning in the fall of 2002 are being identified.
- In April 2002, the TARGET Program's Technology Access Fund was established, aimed at getting high-potential technologies off the shelf of advanced research institutes and into the hands of African farms and firms. The fund will support activities in East, West and Southern Africa and will complement bilateral TARGET program funded activities initiated in early FY 2002.
- In February 2002, a new biofortification program was initiated to raise the nutritional status of basic food products grown and consumed in rural parts of Africa. Efforts are focusing on beans, roots and tubers, and coarse grains.
- A tracking system is being established in FY 2002 to monitor the status and impact of Quick Start-funded activities.

7.2 Operational Plan for 2002 and 2003

As noted earlier, the Agricultural Initiative to Cut Hunger in Africa is expected to be formally launched in FY 2003. Efforts in FY 2002 are intended to assist with the planning, coalition building and early start of good opportunities to make a difference through the Initiative.

To grow the USAID agricultural portfolio in Africa, there are six challenges that will need to be managed in the start-up phase of the initiative. They are:

- To constructively engage with African leaders, the international development community and U.S. interest groups to raise awareness and build support for the initiative.
- To conduct strategic analysis that informs the prioritization of USAID efforts, supports program development, and helps create a framework and baseline for monitoring progress.
- To develop and implement a staffing plan that enables the Africa Bureau and its regional and bilateral field missions to manage and implement the agricultural initiative.
- To support the efforts of focus regional and bilateral field missions to develop action plans and programs to implement the Agricultural Initiative.
- To secure, allocate and obligate funds to implement the initiative.
- To monitor performance and report results.

To successfully achieve these tasks will require a coordinated effort among numerous USAID operating units. An action plan, including a timelines and responsibilities for these tasks, is outlined below.

7.2.1 Consultations and Partnership Development

This initiative will involve and be affected by many people, organizations, governments and interest groups in Africa, the United States and other donors countries including European nations, Canada, Japan, etc. Consultative processes and planning efforts will be focused on:

- Shaping and validating country and subregional action plans, built around the framework presented earlier, to guide USAID investments.
- Building political and financial commitment among focus countries, the development community and private investors.
- Building strategies, programs and alliances with implementing partners to achieve the objectives of the initiative.

The process and tasks for developing focus country and subregional action plans is outlined later. The process will be initiated in June 2002, through subregional consultations with focus USAID missions. AFR/SD will organize these in conjunction with the subregional missions and EGAT. It is anticipated that by the end of calendar year 2002, all focus missions will have an action plan developed, based on analysis of options and priorities for their country or subregion and on consultation with local technical and political leaders. Bilateral and subregional USAID missions in the focus areas will be responsible for managing the preparation of action plans and consultations.

The consultation process to build commitment for the agricultural initiative has already begun through the Partnership to Cut Hunger in Africa, and it will be continued. To formally launch the initiative, it is anticipated that a USAID-sponsored summit will be held in Africa early in calendar year 2003. This will involve leaders from focal countries and subregions, along with technical officers in USAID and other development agencies and implementing organizations. During 2002, the U.S. Government through various departments, agencies and offices will engage in consultations with partner countries and their leaders. This includes consultations at the G8, DAC, WSSD, WFS, and other events to be held in Africa. It will also involve engaging with and supporting the efforts of the African-originated New Partnership for Africa's Development (NEPAD).

To build awareness within USAID and among implementing partners of the Initiative and strategic directions being proposed, the Africa Bureau will organize a quarterly seminar, beginning in May 2002. The seminar will target USAID offices in Washington, along with implementing partners in the U.S. and internationally. It will specifically present and discuss strategic analysis and directions for the Initiative. Consultations will also be held with other U.S. government agencies and congressional interest groups.

7.2.2 Strategic Analysis and Decision Support Systems for the Initiative

To support the development of the initiative and the related regional and bilateral strategies and programs, strategic analysis is being conducted. The analysis will provide the analytical underpinnings for strategic choices that will need to be made about where and what to focus on. Specifically, the strategic analysis will:

- Analyze strategic challenges and opportunities affecting agricultural growth in Africa.
- Synthesize existing qualitative information, data and analyses to derive themes, outlined in the earlier chapter, for focus countries and subregions.
- Establish a development framework and quantitative indicators to measure progress of the initiative at the country, subregional and continent-wide levels.
- Establish a strategic decision support system in support of the initiative to facilitate the comparison of options and development pathways to achieve agricultural growth, as well as monitor the initiative's progress.

The strategic analysis will be led by the International Food Policy Research Institute (IFPRI), which will coordinate with a broad range of African experts and analysts, also working with USAID. It is anticipated that preliminary analysis will be made available to focus countries and USAID Missions as they start or in the early period of their action plan development. By January 2003, when action plans are developed, specific milestones and performance targets for the initiative will be established.

The early strategic analysis efforts are being supported through the Quick Start funding.

7.2.3 Staffing

Concentrating a tripling of our agriculture investments in up to nine countries and three subregional portfolios will require additional staff. Furthermore, U.S. Direct Hire (USDH) staff have special skills that are difficult to replicate with non-USDH employees. Fortunately, several new USDH staff are becoming available: the Agency has brought on eight agriculture New Entry Professionals (NEPS), five more are scheduled to come onboard in the spring of 2002 and it has been recommended that 12 to14 more be recruited over the next 1 ½ years. Nonetheless, these additional staff cannot be the sole staff that missions rely on as they expand their agriculture portfolios.

In the immediate future, mission slots and operational expense (OE) funds to fill them will continue to be in short supply and reliance on program-funded agriculture staffing options will be required. Foreign service nationals (FSN) and private service contractors (PSC) will remain important to missions.

A new central program funding mechanism is being proposed that will provide focus missions with the technical skills and strength needed to re-engage more effectively with governments, other donors, NGOs, and others in agriculture. This mechanism will provide the means to place one program funded staff member in each of the focus missions for an initial two year period. As the Initiative proceeds, missions will be able to reexamine how useful this mechanism and others are to support their needs. Using central mechanisms for at least some of missions' additional staffing requirements will ease personnel procurement workloads that can often tie missions up. Such mechanisms could also give can missions greater access to a wider variety of individuals.

7.2.4 Regional and Bilateral Mission Action Plan Development

The action plans will define the targets, programs, mechanisms and procurement plans that will need to be developed for commitment of resources in FY 2003. They will also serve as the basis for building local coalitions in Africa to engage in and support pro-poor agricultural growth strategies and programs.

A process and timeline for preparing of the action plans is proposed that entails all of the focus missions and subregions completing their plan at the same time, prior to the full launching of the initiative. Where missions have full agricultural strategies now in place, the action plan will use and build on the strategies. Where strategies are now being developed, the process of developing action plans will make a contribution to these efforts. By completing them at the same time, there will be good opportunities to build synergies and effective linkages between countries within each of the subregions. It will also provide a useful context for sharing lessons across countries.

To develop the action plans it is planned that an initiating meeting will be held in each subregion. The planning meeting will include all focus missions orienting them to the initiative's objectives, themes, and expectations, as well as facilitating a review of recent findings and current information available to support action plan design. The meeting will also facilitate the coordination of support services needed from USAID Washington to assist missions as they develop their action plans. The following table summarizes the proposed timelines for the initial meetings. It is anticipated that Missions will require 6 months to develop action plans. Tentative submission date for the action plans is December 1, 2002.

Subregion	Date	Location	Participating Missions
Eastern	June 2002	Nairobi	Kenya, Tanzania, Uganda, REDSO, (Ethiopia), AFR/SD, EGAT
West & Central	June 2002	Accra	Nigeria, Ghana, Mali, WARP, AFR/SD, EGAT
Southern	June 2002	Gaborone	South Africa, Mozambique, Malawi, RCSA, AFR/SD, EGAT

It is also proposed that a second subregional meeting be held when draft country and subregional action plans are prepared and ready for review. This meeting will facilitate the coordination of individual efforts across countries and with the subregional action plans as a whole to ensure that they are collectively coherent and complementary. It will also provide an opportunity to examine options for contracting that can deliver the services and projects wanted as efficiently as possible. After action plans have been jointly reviewed in the subregion, they will be submitted to the Administrator for the Africa Bureau by the Directors of the operating units.

The action plans should include, among other things, a results framework that includes and integrates current mission efforts in agriculture, as well as new or expanded efforts that will be supported by the supplementary agricultural initiative funding. The results framework should clearly identify the additional results and levels of change that will be targeted with the supplementary funding. By May 2002, AFR/SD will develop and circulate for comment a standard terms of reference for the development of an action plan that will lay out indicative elements of an action plan and issues that will need attention as it is designed. This will be amended and adjusted by each mission to meet its needs and circumstances.

To give missions technical assistance (TA) to support design of the action plans, AFR/SD will establish and fund a support mechanism through the EGAT Pillar Bureau to make a TA team available to each focus mission. To access the TA, the participating missions will request a TA team from AFR/SD, which will work with the mission, contractors and the EGAT Pillar Bureau to form a team consistent with the mission request. Missions will be responsible for managing the TA team.

In addition to country and subregional action plans, it is anticipated that new mechanisms and global alliances focused on Africa, ones that help Africa connect with global market opportunities and state-of-the-art technology, will need to be developed to assist and support subregional and bilateral efforts. These mechanisms will be aimed at getting global capacity focused on the issues and challenges of African agriculture in general and rural smallholder-based systems in particular. This includes coordinated efforts on technology, including biotechnology, agricultural trade system development, and higher education training. In line with this, EGAT will be requested to develop options and locate opportunities to link with global alliances and interest groups.

7.2.5 Allocation and Obligation of Funds

The agricultural initiative funds will be allocated separately from Africa Bureau core agricultural funds and will be allocated to focus country and subregional programs. The agricultural initiative rankings of all countries in sub-Saharan Africa will be annually reviewed by the Africa Bureau. Funding to focus missions will be provided against five-year action plans, as outlined above.

Focus missions will be responsible for obligation of funds through their bilateral agreements or any central mechanisms they wish to use.

7.3 Performance Monitoring

The initiative will monitor performance and progress toward results based on the extent to which agriculture productivity and income growth is rising, as well as on progress in reducing poverty and hunger, in select countries and in each subregion as a whole. Broad and specific indicators will be selected to measure such progress and contribute to the preparation of an Agriculture Initiative for Africa Annual Report. As much as possible, the performance indicators will be standardized across countries and subregions to allow comparisons among countries and regions over time (a summary of possible indicators are illustrated in Box 2).

An essential element in tracking progress will be verifying that investments are having the desired impact of raising productivity and increasing economic growth in both presence and non-presence countries. One of the primary objectives of the initiative is to be inclusive rather than exclusive, and therefore addressing progress in achieving its goals will also involve assessing any spillover impacts to non-presence countries.

Each bilateral and subregional field mission under the initiative will need to report on progress specific to their programs on the ground. Bilateral missions within high-priority countries will track progress in terms of agriculture and economic performance, efficiencies in trade and marketing systems, institutional and human capacity for policy dialogue, private entrepreneurship, etc. Results can be tracked in terms of data indicators that show rates of growth in agriculture, rural incomes, export earnings, and overall economic growth.

Subregional field missions will be more involved in tracking efficiencies in intra-regional trade, markets, information and research networks, as well as the degree of economic and technology spillovers to the rest of the subregion from the high-priority countries. Particular attention will be paid to the rate of technology spillovers to those countries with a high degree of vulnerable populations, by way of tracking the extent to which subregional programs are helping to facilitate rapid spillovers to these countries.

Because much of the investment in productivity-enhancing technologies, market and trade systems, etc., will naturally be commodity specific, many of the indicators on productivity and market growth will be summarized by commodity. But in addition to these basic indicators, an additional analysis of the data will be needed to examine whether a commodity invested in, as both part of a growth-oriented strategy in a high-priority country and a hunger alleviation strategy in a vulnerable country, is having the desired impact in both countries. This could be measured in terms of how it is getting value added in the 'growth oriented' country, and how it is affecting productivity and incomes among the vulnerable population in the other country. Another important measure would be to track trends in the region's value share of the commodity (in its various product forms) relative to the region's total agriculture GDP. Results and indicators will be disaggregated by gender.

Other performance indicators may also be identified under each of the initiative's thematic areas, where such data is not included in Box 3.

Box 3: **Illustrative indicators to monitor progress of the Agriculture initiative for Africa.**

Agriculture and Economic Performance. This should be collected for all countries in the sub-region.

- Income growth (GDP, agriculture GDP, rural incomes if possible)
- Production and productivity growth (changes in the value of per capita agriculture; yields of specific invested commodities; value share of agriculture GDP for specific commodities; plus its value share of total agriculture GDP)
- Extent of value added product diversification (changes in % value share – relative to a single commodity's GDP, % exported, etc.)
- Uses of products and services (looking at market demand) – consumption growth patterns in destined markets (if possible)

Hunger and Poverty. This should also include all countries – although the primary concern will be with the focus countries in the sub-region.

- Incidence and scope of undernourishment (FAO) – preferably by child and adult – in numbers and proportions.
- Incidence and scope of poverty (World Bank)

Regional growth and efficiency.

- Inter-country price spreads of major tradable commodities in the subregion (if data permitting), measuring degree of intra-regional market integration
- Spillovers of technologies and information (technologies being transferred, information networks functioning)
- Volume of intra-regional trade (share of specific commodity to total intra-regional agriculture trade – this data may be more difficult to come by)
- Growth in exports of commodities important to intra-regional markets (potentially to capture missing data on intra-regional trade)
- Institutional structures (policy harmonization, grades and standards, certification systems, legal framework, etc.). This may be reported in terms of events or major milestones

Leveraging additional resources.

- Extent of other donor funding in agriculture programs – as well as other sectors contributing to overall economic growth (data may have to come from donor partner sources)
- Local public funding for agriculture (% of government expenditures, % of total GDP, per capita values, etc.)

7.4 AFR/SD Roles and Responsibilities (DRAFT)

AFR/SD will manage the Agricultural Initiative to Cut Hunger in Africa on behalf of the Africa Bureau. Specific responsibilities of AFR/SD include the following.

- Coordinate and liaise with focus missions and operating units on the initiatives objectives, funding, and implementation parameters.
- Establish systems to monitor progress and impact of initiative investments and programs.
- Coordinate with donors and other interest groups on African agricultural issues.
- Complete annual review of country rankings.
- Complete annual review of the results and performance of focus mission agricultural initiative portfolios.
- Prepare annual report on the agricultural initiative.
- Liaise with AFR/DP on allocation of funding.
- Lead a review of action plans.
- Coordinate and liaise with EGAT on the provision of field services to support the implementation of the initiative.
- Support the development of central EGAT programs to implement the initiative and participate in the oversight of EGAT-managed programs for the initiative.